FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 133 *11 July 1983*

INTER-AMERICAN AFFAIRS

'Bolivarian' Foreign Ministers Arrive for Meeting A 1
Zambrano To Attend Contadora Group Meeting A 1
Havana Cites Colombia's Lloreda on Contadora A 1
Briefs: New Cartagena Agreement Coordinator; A 1
Telecommunications Meeting

ARGENTINA

Army Commander Nicolaides Views Subversive Threat B 1
Socialist Democratic Party Status Recognized B 1
Economy Minister Views Inflation Battle B 1
[BUENOS AIRES HERALD 9 Jul]
Satellite Communications System Project Planned B 2
Brazilian Envoy Says UK Landings Issue Over B 2

BOLIVIA

Cabinet Reshuffle Confirmed; Crisis Denied C 1
Paz Zamora Attacked Over Municipal Elections C 1
Siles Calls on Army To Fight Paramilitary Groups C 1
Troops Withdraw From El Huerto Mining Center C 2
Doctors Strike Demanding Wage Increase C 2
Argentina Grants $40 Million in Credits C 2
Briefs: 1983 Budget, Deficit Figures C 2

BRAZIL

Finance Minister Denies Moratorium Rumors D 1
Planning Minister Neto Travels to London D 1
Reportage on Continuing Strike Situation D 1
2d Army Readiness D 1
Metalworkers Union Intervened D 2
Bahia Oil Union Intervened D 2
Strikes Called Off D 2
Floods Prompt State of Emergency in 80 Cities D 2
June Inflation, Adjusted Indexes Published [O GLOBO 7 Jul] D 3

CHILE

President Pinochet Resumes Activity 8 July E 1
Leader of Christian Democratic Party Arrested E 1
Former Christian Democratic Deputy Arrested E 1
Government Issues List of Exiles Allowed To Return E 1
Human Rights Commission Denounces Repression E 2
Government Concerned Over French Nuclear Tests E 2
Briefs: Ambassador to Iceland; Departing Nigerian Ambassador E 2

COLOMBIA

ELN Occupies AFP Office, Sends Bulletin F 1
EPL Sets Off Five Bombs in Medellin F 1
Contadora Group Experts To Meet 13 July F 1
Briefs: New Ambassador to Bolivia F 1

PARAGUAY

Asuncion Archbishop on State of Siege, Law 209 H 1
[ABC COLOR 1 Jul]
Doctors, Medical Students Lift Strike H 2
Government Suspends Radio for 30 Days H 2

PERU

Finance Minister Views Deficit, Loans J 1
[COMERCIO 22 Jun]
Miners Demand Government Reopen Mines J 1

MEXICO

Maritime Agreement on Training Ratified With USSR M 1
[EXCELSIOR 21 Jun]
Council To Ensure Economic Recovery Created M 1

CENTRAL AMERICA

Countries To Apply Jointly for European Loans P 1
[LA PRENSA GRAFICA 7 Jul]
Oil Pact Extension Asked of Mexico, Venezuela P 1

COSTA RICA

Reportage on Ambassador Stone's Meetings P 2
FDR Delegate in San Jose P 2
Plan for Meeting Aborted P 2
Volio Comments on Meeting P 3
Monge Mediating Role Suggested P 3
Stone Departure Set P 3
Stone Terms Talks 'Useful' P 4
FMLN Reports Talks' Failure P 4
Minister Volio Denies 3 July Nicaraguan Charge P 5

EL SALVADOR

Security Tightened at U.S. Embassy 8 July P 5
Officials Comment on Stone's Costa Rican Visit P 6
Stone Returns From Costa Rica P 6
Maj Roberto D'Aubuisson Holds News Conference P 7
Telecommunications Work Gains in Eastern Region P 8
[EL MUNDO 8 Jul]
Communications With Morazan Restored P 9
Army Reports on Activities in Usulutan P 9
Lenca Battalion Replaces Atlacatl in Morazan P 12
[LA PRENSA GRAFICA 7 Jul]

COPREFA Reports 2 Killed in Clash in Santa Anita P 13
Colonel on Cleanup Operation in Chalatenango P 13
Chavez Mena Discusses Contadora Efforts P 14
[EL DIARIO DE HOY 8 Jul]
Army Says Calderon Sent to Military Judge P 15
COPREFA Comments on 'Blue, White Movement' P 16
FMLN-FDR Communique on Effort To Meet Stone P 16
[Radio Venceremos]

GUATEMALA

Warrant Issued for Arrest of Colonel Gordillo P 17
Rios Montt Meets With Episcopal Conference P 18
President Holds Meeting With Political Leaders P 18
State Council Suggests Changes in Emergency Law P 19
Government Approves Tax Reform Package P 20
ORPA Ambushes Police, Comments on Revolution P 20
More on Rebel Ambush P 21
Patrolmen Killed in Fighting With Rebels P 21
[DIARIO EL GRAFICO 7 Jul]

HONDURAS

Government Responds to Nicaraguan Charges P 22
Defense Secretary on Tensions With Nicaragua P 23

NICARAGUA

ARDE Favors Dialogue With FSLN To Secure Peace P 24
Borge Claims U.S. Troops To Pose as Hondurans P 25
Opposition Claims U.S. Ultimatum Given Regime P 25
BARRICADA Reports on Rescue of U.S. Sailboat [4 Jul] P 26
Daniel Ortega Addresses Mothers of Martyrs Event P 27
Nunez Denies Outlawing of Conservative Party P 28
Two Articles of Political Party Law Approved P 28

CUBA

U.S. 'Rigidity' Blamed for UNCTAD 'Failure' Q 1
Hijacker Said To Be of U.S. Nationality Q 2
Havana Notes U.S. Ruling on Cuban Travel Ban Q 2
Nicaraguan Vice Minister Holds Press Conference Q 2
Nicaraguan Fishing Official on Cuban Cooperation Q 3
Domenech Meets With Hungarian Industry Minister Q 3
Military Delegation Concludes Visit to Poland Q 3
CSSR Leader's Praise for Cuba at Ceremony Cited Q 3
Cabrizas 'Moderately Optimistic' at Sugar Meeting Q 4
Fidel Castro Chairs Havana City Province Assembly Q 4
Castro Tours Havana Libre Hotel Medical Exhibits Q 5
Raul Castro Presides Over FAR Cadets' Graduation Q 5

CARIBBEAN

Further Reports, Material on Caricom Summit S 1
Seaga on Cuba, Subversion S 1
No Agreement on Widening Caricom S 1
Communique Released S 2

BARBADOS

Industrial Credit Fund Set Up To Finance Projects S 9

DOMINICA

Charles To Submit $144.2 Million Budget to Parliament S 10

'BOLIVARIAN' FOREIGN MINISTERS ARRIVE FOR MEETING

PA11002 Madrid EFE in Spanish 0049 GMT 11 Jul 83

[Excerpt] Caracas, 10 Jul (EFE) -- The Peruvian, Ecuadorean, Panamanian, Bolivian, and Colombian foreign ministers arrived in Caracas today for a working meeting with Jose Alberto Zambrano Velasco, their Venezuelan colleague.

The six foriegn ministers from the Bolivarian countries will remain in this capital for 2 days, preparing the text of the declaration to be signed by their respective presidents at the summit meeting that will be held in Caracas in 2 weeks.

ZAMBRANO TO ATTEND CONTADORA GROUP MEETING

PA090221 Caracas Radio Rumbos Network in Spanish 2100 GMT 8 Jul 83

[Text] At the conclusion of the Bolivarian foreign ministers meeting here in Caracas, Venezuelan Foreign Minister Jose Alberto Zambrano Velasco will go to Panama City.

The foreign ministers of the Bolivarian countries will meet in Caracas 11-12 July to prepare the agenda for the presidential summit to be held in Caracas on 24 July. Following this meeting, Foreign Minister Zambrano Velasco will go to Panama City where he will participate in a Contadora Group meeting on 15 July.

HAVANA CITES COLOMBIA'S LLOREDA ON CONTADORA

PA091351 Havana International Service in Spanish 0000 GMT 7 Jul 83

[Text] Colombian Foreign Minister Rodrigo Lloreda Caicedo has expressed the optimism of his country's government regarding the progress of the Contadora Group's negotiations for a peaceful solution to the Central American conflict.

The Colombian foreign minister said that significant progress was achieved by the Contadora Group's technical commission in a recent closed-door meeting in Panama. However, he said that the results have not been disclosed to allow each country to act officially at the appropriate time.

BRIEFS

NEW CARTAGENA AGREEMENT COORDINATOR -- Lima, 1 Jul (EFE) -- Today Bolivian diplomat Edgard Camacho took up the post of coordinator of the Cartagena Agreement Junta for a 1-year term. Camacho replaces Edgard Moncayo from Colombia. [Summary] [Madrid EFE in Spanish 0035 GMT 2 Jul 83 PY]

TELECOMMUNICATIONS MEETING -- Caracas will be the site of the second meeting of Latin American telecommunications experts, which will be held in Caracas 11-15 July. Delegates from Chile, Peru, Spain, El Salvador, Honduras, Argentina, and Venezuela will discuss plans for telecommunications promotion and development, and for the transfer of technology. [Summary] [Caracas Radio Rumbos Network in Spanish 2100 GMT 8 Jul 83 PA]

ARMY COMMANDER NICOLAIDES VIEWS SUBVERSIVE THREAT

PY092206 Buenos Aires Domestic Service in Spanish 1600 GMT 9 Jul 83

[Text] Today the Army commander, Lieutenant General Cristino Nicolaides, addressed a message to all army units. The text of the message starts by stating that the struggle for freedom has given the entire history of the republic its own distinctive appearance.

Nicolaides told the army that in its task to achieve a stable democracy it has had to face an adversary who was defeated from the military point of view but which has maintained its strategy and persists in its totalitarian designs.

The army commander pointed out that that adversary seeks to infiltrate political groups and to carry out its activities through organizations disguised under the mask of solidarity and the defense of human rights. He said that the adversary's weapons are inflammatory exhortations, lies, and calumny. In this way the adversary seeks to split and fragment the armed forces and to cause a confrontation between the armed forces and the republic.

Nicolaides pointed out that in his capacity as commander in chief of the army, he has undertaken the commitment to protect the integrity of the armed forces from the subtle aggression of subversion.

In reading my message to the members of the army, I only want to reiterate that only the most solid cohesion, the most firm decision, and the most ardent desire to serve will allow us to hand over to future generations a free, united, and proud nation, he said.

SOCIALIST DEMOCRATIC PARTY STATUS RECOGNIZED

PY072317 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1610 GMT 7 Jul 83

[Text] Buenos Aires, 7 Jul (NA) -- The electoral court has formally acknowledged the party status of the Socialist Democratic Party and its right to operate as such within the federal district, having fulfilled all pertinent requirements.

Federal Judge Eduardo Marquardt ruled that the Socialist Democratic Party has supplied proof that it has the minimum number of members required by law. The judge also indicated that the party has adjusted its declaration of principles, political platform and charter to the political parties law.

ECONOMY MINISTER VIEWS INFLATION BATTLE

PY110125 Buenos Aires BUENOS AIRES HERALD in English 9 Jul 83 p 1

[Text] Economy Minister Jorge Wehbe was forced to admit defeat yeaterday in his battle to keep inflation down to the International Monetary Fund (IMF) target figure of 160 percent, after the National Institute for Statistics (INDEC) released the cost of living figures for June. These figures set inflation in June at 15.8 percent, i.e., 103 percent for the first half of the year which extrapolates to 312 percent for 1983 as a whole. Although slightly better than the 1982 total of 340 percent, Wehbe told journalists that there is now no hope of meeting the 160 percent figures. "Our forecast was mistaken," he said.

Meat price increases in excess of 20 percent reportedly accounted for some four percentage points of the 15.8 percent figure, while public service hikes were responsible for a further 1.3 points. Other increases included 11.6 percent in health costs, 12.2 percent in transport, and 13.9 percent in construction. Wholesale prices rose 14.3 percent in Jun, i.e. 94 percent for the year so far giving an extrapolated figure of 276 percent for 1983 (as against 373 percent in 1982).

Wehbe also told the journalists that although most wage claims were justified, they simply could not be met. Although yesterday brough some good news for workers in that the bonus of half June's salary (as opposed to half the last six month's average) was extended to all state workers not so far covered, yesterday's flood of statistics also contained some bad news on the wage front. It was revealed that wages rose by 46.7 percent in the first three months of the year as against a 60.9 percent inflation increase and although April brought a 14.5 percent wage hike with only a 10.3 percent rise in inflation, the first four months of the year still left a 9 percent dent in real wages.

Wehbe, Central Bank President Julio Gonzalez del Solar and their top assistants were also obliged to come to terms with one of the more long-term effects of inflation when they met yesterday. According to reliable sources, the meeting learned that some 1,000 million dollars had been needed to subsidize the whole index-linking process in May and June along and that the National Treasury deficit was 6,700 million Argentine pesos. It was reported that Wehbe plans to fight these problems with an anti-inflation strategy based on still higher interest rates.

Although the balance of trade registered a 1,505 million dollar surplus in the first five months of the year, the trade figures were also lagging behind official targets. Argentina is not on course for a 3,000 million dollar surplus this year as the figures would suggest, because most of the grain exports have already been sent. As a further embarrasment for the government's economic strategy, it was revealed that exports in the first three months of the year were 955 million dollars and not 1,200 million dollars as Wehbe erroneously informed the IMF. The trade surplus is largely the result of a 40 percent fall in the volume of Argentine trade over the last two years in which imports have declined disproporionately (falling by 61.7 percent in this period with exports dropping 15.6 percent). Imports fell by 29 percent in the first quarter of this year alone.

Wehbe also used the dialogue with reporters to again hit out at tax evaders and profiteers cashing in on the currency change.

SATELLITE COMMUNICATIONS SYSTEM PROJECT PLANNED

PY100150 Buenos Aires Domestic Service in Spanish 2000 GMT 8 Jul 83

[Text] The project to use a multipurpose domestic satellite as part of a national telecommunications system which would constitute the first step in an Argentine satellite system has been declared of national interest by the executive branch. This announcement was made by the commonwealth as secretary, Brigadier General Angel Alejandro Barbieri. The task, which will be undertaken by a special commission formed by members of the Communications Secretariat and the National Commission for Space Research, should be completed before 30 December 1983.

BRAZILIAN ENVOY SAYS UK LANDINGS ISSUE OVER

PY092332 Buenos Aires DYN in Spanish 2139 GMT 8 Jul 83

[Text] Buenos Aires, 8 Jul (DYN) -- Carlos Duarte da Rocha, the Brazilian ambassador to Argentina, who today left for Rio de Janeiro "on a 20-day vacation," denied that he has been summoned by the Brazilian Foreign Ministry.

CABINET RESHUFFLE CONFIRMED; CRISIS DENIED

PY090021 Buenos Aires TELAM in Spanish 2130 GMT 8 Jul 83

[Excerpt] La Paz, 8 Jul (TELAM) -- Bolivian President Hernan Siles Zuazo has decided to reorganize his cabinet on 15 July and again denied, through his press secretary, the existence of a government crisis.

Mario Rueda Pena, spokesman of the executive branch, stated that the rumors circulated yesterday that the entire cabinet would resign due to a new disagreement between the parties of the government coalition are mere media speculation.

Rueda Pena emphatically denied rumors that Finance Minister Flavio Machicado and Planning Minister Arturo Nunez del Prado had submitted their resignation because they disagree with the president's policy.

An article published by the Catholic daily PRESENCIA today stressed that some cabinet members are planning to submit a collective resignation to the president of the nation in the middle of next week, when Foreign Marcial Tamayo returns from Caracas, in order to allow the president to reorganize the cabinet.

According to local political analysts, the crisis resulted from the reshuffling of the Democratic and Popular Unity [UDP] Front which compels a government reshuffle to allow the members of the Movement of the Revolutionary Left [MIR] to participate in the country's management.

PAZ ZAMORA ATTACKED OVER MUNICIPAL ELECTIONS

PY100115 La Paz Cadena Panamericana in Spanish 1130 GMT 9 Jul 83

[Text] The Progressive National Force [FNP] states that the interests of the people have been betrayed.

The vice president of the republic will not promulgate the law calling municipal elections and the constitutionalization of the bodies governing the communities will be postponed indefinitely, says a communique signed by Fernando Mostajo Cavero on behalf of the FNP National Executive Council.

The FNP document says that the vice president's decision confirms the rumor among the people that the vice president's power to promulgate laws only served him as an argument in negotiations to strengthen the participation of his party in the government front that has broken down. This situation causes revulsion and the accusation comes without delay, the FNP says. The same document says that the least that can be done is to protest.

The people have been demanding from the government front the constitutionalization of the municipal governments for 9 months, and for 9 months the only answer has been the maintaining of the de facto municipal governments.

SILES CALLS ON AMRY TO FIGHT PARAMILITARY GROUPS

PY071849 La Paz Cadena Panamericana in Spanish 1130 GMT 7 Jul 83

[Text] Last night Defense Minister Jose Ortiz Mercado announced that President Hernan SIles Zuazo has instructed the Armed Forces to get ready to fight the illegal armed groups in the service of drug trafficking which are causing alarm and intranquillity in the eastern region of the country.

The minister said that the instructions are in accordance with the constitutional rights granted to the president and captain general of the armed forces. The instructions were given at the conclusion of a long meeting between the president and the high military command with the participation of the defense minister last Tuesday night.

Ortiz Mercado explained that the illegal armed groups was discussed in detail but that for security reasons he could not elaborate. He added that the discussion with the military commanders included military administrative matters and the role of the armed forces as a result of the natural disasters affecting various areas of the country.

TROOPS WITHDRAW FROM EL HUERTO MINING CENTER

PY090325 La Paz Cadena Panamericana in Spanish 0000 GMT 9 Jul 83

[Excerpt] This morning, in compliance with orders given by the armed forces high command, military troops withdrew from El Huerto mining center which belongs to the Catavi mining enterprise.

According to information granted by mining authorities, El Huerto has been occupied by military troops for the past 10 years.

After withdrawing from the mining center the troops returned to the Cerro Colorado barracks in Uncia.

DOCTORS STRIKE DEMANDING WAGE INCREASE

PY081401 La Paz Radio Illimani Network in Spanish 1100 GMT 8 Jul 83

[Excerpt] Health Minister Javier Torres Goitia has said that the unexpected strike ordered by doctors demanding wage increases is illegal and has serious political connotations. Minister Torres Goitia pointed out that the doctors' strike has destabilizing objectives closely linked to past interests.

ARGENTINA GRANTS $40 MILLION IN CREDITS

PY090336 La Paz Cadena Panamericana in Spanish 0000 GMT 9 Jul 83

[Excerpts] Upon its arrival in La Paz the government committee which travelled to Argentina with the purpose of obtaining credits for agricultural products announced, through one of its members, that it had obtained two credits of $20 million each.

Campesino Affairs Minister Reynaldo Mercado pointed out that the committee's achievements had been positive and that they are exclusively aimed at overcoming the serious problems caused by the natural disasters which hit various parts of the country.

BRIEFS

1983 BUDGET, DEFICIT FIGURES -- During a press conference Finance Minister Flavio Machicado Saravia disclosed that the Bolivian consolidated budget for 1983 will amount to 474,597 million Bolivian pesos and that the deficit will amount to 160,273 million Bolivian pesos which will be financed by foreign resources. The minister pointed out that controlled inflation rate by the end of this year will reach 150 percent. [Summary] [La Paz PRESENCIA in Spanish 19 Jun 83 p 1 PY]

FINANCE MINISTER DENIES MORATORIUM RUMORS

PY081621 Sao Paulo Radio Bandeirantes in Portuguese 0230 GMT 8 Jul 83

[Text] Finance Minister Ernane Galveas has released an official note denying rumors circulating in London and New York that Brazil had declared itself in moratorium.

The notes points out that speaking of moratorium is both nonsense and absurd because Brazil has a balance of trade which is positive by more than $800 million, as shown in June.

The IMF mission now in Brasilia met yesterday with representatives of the Brazilian Government for more than 2 hours at the Planalto Palace. Nobody revealed anything about the meeting, although the Planning Ministry issued an official note saying the Minister Delfim Netto thoroughly briefed IMF representatives on measures adopted by the government to reduce the fiscal deficit.

The Brazilian authorities were quite pleased with the first meeting which is part of a second round of negotiations with the IMF. The IMF mission and economic area ministers will get together again this Friday.

PLANNING MINISTER NETO TRAVELS TO LONDON

PY100132 Sao Paulo Radio Bandeirantes Network in Portuguese 0230 GMT 9 Jul 83

[Text] Finance Minister Ernane Galveas has confirmed here in Brasilia that Planning Minister Delfim Neto has traveled to London, but gave no details of the trip.

Galveas denied that the purpose of the trip was to negotiate a new loan with British bankers. He explained that Delfim Neto will hold negotiations involving (FUNAMAN) and the financing of the importation of ships and shipyard construction expenses.

Concerning the agreement with the IMF, Minister Galveas said that negotiations are proceeding and that they will continue until at least the end of the next week.

REPORTAGE ON CONTINUING STRIKE SITUATION

2d Army Readiness

PY090050 Brasilia Domestic Service in Portuguese 2200 GMT 8 Jul 83

[Text] Talking to reporters in Sao Paulo, the 2d Army commander, General Sergio de Ari Pires, said today that the situation in the Paulinia oil refinery was returning to normal and that tranquillity prevails in the industrial belt. He also said that state Governor Franco Montoro assured him that all necessary steps have been taken to prevent disruptions of public order.

[Begin Ari Pires recording] The governor gave assurances that the secretary of security has full powers to take action to maintain public order. I was reassured by what he said. I am sure that the state military police are fully capable of dealing with the problem, not only because of their equipment but also because of their care for and permanent vigilance of Sao Paulo's (?legitimate) interests. [end recording]

Gen Pires also said that the Sao Paulo federal garrison has been put in a state of readiness.

[Begin Ari Pires recording] The 2d Army has been put in a state of readiness because this kind of emergency calls for preventive measures. [end recording]

Metalworkers Union Intervened

PY090048 Brasilia Domestic Service in Portuguese 2200 GMT 8 Jul 83

[Text] Labor Minister Murillo Macedo has just signed a decree intervening the Sao Bernardo do Campo metalworkers union. Labor Inspector (Osvaldo Daguiar Batista) was designated interventor.

Bahia Oil Union Intervened

PY090259 Brasilia Domestic Service in Portuguese 2200 GMT 8 Jul 83

[Text] Labor Ministry Murillo Macedo today decreed the intervention of the Bahia oil workers union, which had called for a strike at the Landulfo Alves oil refinery of Mataripe District. Labor Inspector (Ademar Leao Lisboa) was designated intervenor. An inquest will be conducted into the strike movement.

The minister also officially recognized the existence of a strike movement at the Henrique Lage oil refinery in the Sao Jose dos Campos district in the Paraiba River valley in Sao Paulo.

At Government House this afternoon, Minister Macedo met with Minister Joao Leitao de Abreu, the chief of the civilian household of the presidency. He briefed Minister Leitao de Abreu on today's events in Sao Paulo. On arriving at Government House, Minister Macedo told reporters that workers of the Sao Jose oil refinery are returning to work and that the Paulinia oil refinery is not yet operating at full capacity.

The labor minister reported that he decided to intervene the Mataripe oil workers union and that union leaders have been removed from their duties.

The minister concluded by saying that he was closely following the latest developments in Sao Paulo.

Strikes Called Off

PY092222 Sao Paulo Radio Bandeirantes in Portuguese 1000 GMT 9 Jul 83

[Excerpts] The Sao Jose dos Campos oil workers have called off their strike. The oil workers have accepted an agreement submitted by Petrobras by which the corporation is to pay for the days off during the strike and commits itself not to taken any disciplinary action against the workers who went on strike.

The Santos lowland oil workers have pledged to strike tomorrow unless the government meets their two demands: withdrawal of the intervention in the Campinas unions and a written statement that there will be no dismissal of workers.

The Santo Andre metalworkers have decided to resume work today.

FLOODS PROMPT STATE OF EMERGENCY IN 80 CITIES

PY090257 Porto Alegre Radio Guaiba in Portuguese 2150 GMT 8 Jul 83

[Excerpt] Florianopolis -- The situation has worsened after the latest floods in Santa Catarina State, where a state of emergency has been declared in 80 cities. According to unofficial estimates, approximately 50,000 people have been affected by the floods, including 30,000 in the city of Blumenau alone. Forty cities lack drinking water and nine people have been reported dead. The most dramatic situation is that of Blumenau District, where more than 70 percent of the urban area has been covered by waters after 70 hours of torrential rains. Floods may now reach the district's industrial sector.

JUNE INFLATION, ADJUSTED INDEXES PUBLISHED

PY1020001 Rio de Janeiro O GLOBO in Portuguese 7 Jul 83 p 20

[Text] As expected, the June inflation exceeded all records: 12.3 percent per month, 67.3 percent per 6 months, and 127.2 percent per year. The previous record was set in March 1981 when annual inflation went up to 121.8 percent. In May the monthly inflation was 9.2 percent and the annual inflation 118.6 percent.

The Getulio Vargas Foundation [FGV] attributed the June inflation jump to increased oil by-product prices and to the rains and drought which affected agricultural production and the transportation system in some areas of the country.

According to the FGV, the new nonsubsidized oil by-products prices will immediately push costs upward, as will the removal of subsidies on wheat. The so-called corrective inflations thus caused will continue to pressure July indexes upward.

Despite that corrective inflation and the contingency factors (rains and drought), the item which most increased the cost of living (one of the components of the inflation index) was public utilities, up 19.6 percent in June. Over the last 12 months public utilities have increased less than the cost of living, 111.7 percent and 125.6 percent, respectively.

From the June 12.3 percent inflation, the government expunged 4.5 percentage points to come up with a 7.8 percent monetary correction for July (monetary correction is always related to price increases during the previous month). To give an idea of the expunction made on the various indexes for corrective inflation (due to subsidy removals) and for contingency factors (natural phenomena), the FGV published the following table:

wholesale price index	4.5 for corrective inflation 1.97 for contingencies
cost of living index	1.4 for corrective inflation 1.13 for contingencies
construction cost index	0.5 for corrective inflation

presented by Brazil in December 1982 as part of an overall program for refinancing its foreign debt, and $8.5 billion of commercial credit under project 3.

The application has been prepared also taking into account the review of three accounts within the balance of payments: foreign interest account, profit remittance account, and the direct foreign investments account. It is expected that under this reviewed program international reserves will have a liquid increase on the order of $800 million by year's end.

The $6-billion target for the balance-of-trade surplus has been maintained by Brazilian officials in the projections submitted to the economists of international banks. Brazilian economic authorities, however, consider a larger trade balance surplus quite possible.

PRESIDENT PINOCHET RESUMES ACTIVITIES 8 JULY

PY081906 Santiago Domestic Service in Spanish 1730 GMT 8 Jul 83

[Excerpts] President Augusto Pinochet today resumed his government duties. The president had suspended all his activities since the afternoon of 27 June when, in keeping with doctors' orders, he had to rest because of severe flu. President Pinochet today went to La Moneda Palace where he held meetings with the interior, finance, and justice ministers.

LEADER OF CHRISTIAN DEMOCRATIC PARTY ARRESTED

PY092029 Paris AFP in Spanish 1943 GMT 9 Jul 83

[Text] Santiago, 9 Jul (AFP) -- Gabriel Valdes, leader of the Christian Democratic Party, was arrested today at the request of President Augusto Pinochet's government.

Judicial sources stated that the court was asked to arrest Valdes, who was foreign minister during the administration of the late President Eduardo Frei (1964-1970). Valdes is charged with allegedly being involved in the printing and distribution of pamphlets considered subversive by government authorities.

FORMER CHRISTIAN DEMOCRATIC DEPUTY ARRESTED

PY092216 Madrid EFE in Spanish 2147 GMT 9 Jul 83

[Text] Santiago, 9 Jul (EFE) -- Wilma Saavedra, former deputy of the Chilean Christian Democratic Party, was arrested in Santiago today by members of the Carabineros. This information was disclosed by Saavedra's lawyer, Ricardo Hormazabal.

Another two women identified as Maria Loreto del Capo and Adriana Ruiz Ezquiede, sister of former Christian Democratic deputy Mariano Ruiz Esquiede, were arrested together with Wilma Saavedra.

The three women, together with other women, took part today in a silent and peaceful demonstration held in eastern Santiago. The demonstrators distributed copies of the Chilean Bishops' recent statements urging the government authorities to establish the necessary conditions for dialogue in Chile.

The three arrested women were taken to the 17th police precinct station in Santiago where they were placed at the disposal of the Interior Ministry and charged with violating the national security law.

GOVERNMENT ISSUES LIST OF EXILES ALLOWED TO RETURN

PY090322 Santiago Domestic Service in Spanish 2300 GMT 8 Jul 83

[Excerpt] The government has lifted the ban on the return to the country of another 86 persons among whom are (Renan Fuentealba) and (Cesar Godoy Urrutia).

This information was disclosed by Interior Minister Under Secretary (German Gardelle) who issued the seventh list of persons who may return to the country after having submitted their request for this purpose as established by the president when he decided to allow Chileans living in exile to return to Chile.

HUMAN RIGHTS COMMISSION DENOUNCES REPRESSION

PY092328 Madrid EFE in Spanish 2207 GMT 9 Jul 83

[Text] Santiago, 9 Jul (EFE) -- Through a public statement issued today, the "Chilean human Rights Commission" (CCHDH) denounced "the increasing wave of repressions in the country."

According to the "CCHDH," a private organization headed by former Minister Maximo Pacheco of the Christian Democratic Party, last Thursday "members of the police forces again acted violently against a group of people peacefully demonstrating in the Plaza do Armas in Santiago." The "CCHDH" adds that Jacobo Riffo, Lia Maldonado and Fernando Cantillana were arrested during the demonstration "charged with having attacked policemen."

The statement points out that on that occasion Maria Camus, Amanda Velasco, Maria Ahumada, Jose Loyola, Orieta Fuenzalida, Juan Ponce, Marcela Requena and Enrique Rojas were arrested temporarily.

The "CCHDH" statement points out that this event, in addition to raids and the arrest of several leaders and employees of the National Union Coordination Board, proves "the noticeable increase of repression in Chile."

The commission states that "the promises and calls for the country's unity are of no use since they only create false expectations and nothing, so far, has revealed an improvement in respect for human rights."

GOVERNMENT CONCERNED OVER FRENCH NUCLEAR TESTS

PY100102 Paris AFP in Spanish 0208 GMT 9 Jul 83

[Text] Santiago, Chile, 8 Jul (AFP) -- The Chilean Foreign Ministry expressed its deep and constant concern today over the threat posed by the French nuclear tests in the South Pacific.

The Foreign Ministry noted that Chile reasserts its traditional stand against all nuclear tests which pose a potential threat to the ecological balance in the area since it affects the people and their environment.

In a communique the Foreign Ministry notes that in view of a new underground nuclear test that was carried out by France on 29 June on Mururoa Atoll, the Chilean Foreign Ministry reasserts its deep and constant concern over the threat that these nuclear tests pose to the people, fauna, and flora of the Pacific Ocean.

It adds that despite the precautions that may be adopted during these tests, there is a possibility that accidents may occur, something which has happened before.

The Foreign Ministry notes that these nuclear tests may cause a reactivation of geological faults, cracks in rocks, seismic movements, etc; and that these may cause a release of radioactivity into the atmosphere, oceans, and the soil.

BRIEFS

AMBASSADOR TO ICELAND -- Leonidas Irarrazabal Barros, the new Chilean concurrent ambassador to Iceland, has presented his credentials to Icelandic President Vigdis Finnbogadottir. Irarrazabal Barros is also Chilean ambassador to Norway. [Summary] [Santiago Domestic Service in Spanish 1100 GMT 30 Jun 83 PY]

DEPARTING NIGERIAN AMBASSADOR -- Nigerian Ambassador Mohammed Saguid Umar has paid a protocol visit to the president and the foreign minister to say farewell as he is leaving his mission in Chile. [Summary] [Santiago TERCERA DE LA HORA in Spanish 23 Jun 83 p 12A PY]

ELN OCCUPIES AFP OFFICE, SENDS BULLETIN

PA081658 Madrid EFE in Spanish 0056 GMT 8 Jul 83

[Text] Bogota, 7 Jul (EFE) -- The Colombian guerrilla movement "National Liberation Army" (ELN) today requested international solidarity to continue its struggle against the government.

In a communique transmitted on AFP, after occupying its offices in Bogota, ELN commandos said they needed assistance for "the exploited peoples of Latin America, particularly in Colombia."

They accused the government of allowing "administrative graft and drug trafficking" among the political class, while "poverty is manifested in hunger, unemployment, illiteracy, and lack of housing."

They affirmed that the amnesty in force since November 1982 for the "rebels" has "failed because it is no guarantee for solving the social problems of the Colombian people."

The AFP office was occupied by three men and a woman armed with guns.

Fabio Castro, director of the office when it was occupied, told EFE that "there was no violence," and that the staff members and secretary who were there were treated well.

The "guerrillas" painted signs on the walls alluding to the movement, which is of pro-Cuban communist leaning, and left a red-and-black flag that identified them as members of the "Manuel Vasquez Castano" command. Manuel was one of the brothers of Fabio Vasquez Castano, ELN founder and ideologist.

Guerrilla movements have previously attacked Colombian communications media to deliver bulletins and announce their policies, but had not done so for 3 years.

EPL SETS OFF FIVE BOMBS IN MEDELLIN

PA080325 Bogota Cadena Radial Super in Spanish 0000 GMT 7 Jul 83

[Text] Medellin -- This afternoon the outlawed Peoples Liberation Army, EPL, claimed responsibility for the foiled attack on the Chilean Consulate in Antioquia's capital.

This guerrilla organization has set off five bombs in this capital, as part of what it has termed "Operation Free Central America." This morning, while the police were deactivating the bomb at the consulate, another exploded at a gas station.

CONTADORA GROUP EXPERTS TO MEET 13 JULY

PA080405 Bogota Cadena Radial Super in Spanish 0000 7 Jul 83

[Text] Bogota -- Colombian Foreign Minister Rodrigo Lloreda Caicedo announced this afternoon that on 13 July, during a 2-day meeting in Panama City, the Contadora Group Technical Commission will submit a report on their analysis of the Central American situation.

The Contadora Group foreign ministers will meet with their Central American counterparts in Panama City from 27-29 July.

BRIEFS

NEW AMBASSADOR TO BOLIVIA -- Alfredo Urdinola Alvarez has been appointed Colombian Ambassador to Volivia. [Summary] [Bogota El TIEMPO in Spanish 7 Jul 83 p 8A PA]

ASUNCION ARCHBISHOP ON STATE OF SIEGE, LAW 209

PY081308 Asuncion ABC COLOR in Spanish 1 Jul 83 p 11

[Text] Referring to the state of siege and to law 209, Asuncion Archbishop Ismael Rolon has said that "law 209 establishing the state of siege, which is applied frequently, lends to ambiguous interpretations and abuses. Moreover, the law rather indicates a system of violence which is neither human nor Christian." After remarking that we are in the course of the Hoyl Year, the archbishop urged the judges to "expedite the search for truth in judicial proceedings."

Yesterday the archbishopric's press office released a communique signed by Msgr Rolon. The communique states that "the people are not only concerned over the floods. Unfortunately, there are also incidents which affect the peace and security of their homes, such as the frequent arrests of students, workers and professionals under law 209."

The archbishop outlines the church's position, stating that "on account of our devotion, consecration and mission, we priests and bishops are very close to our brothers. Thus, we are continually listening to their complaints, fears and protests. Although we are not in charge of giving immediate and direct solutions, we support those who request justice, liberty, and love. We want to back up their requests for the authorities to positively investigate, prove and resolve the problems."

Msgr Rolon recalls that we are in the course of the Holy Year, a year during which the church and its followers will try to lead a more Christian life, beyond the present egotism, to foresee and provide for things expeditiously and to attain a final reconciliation with God. The objective is a conversion to God and His commandments and a reconciliation of the poeple. Those who come to us searching for spiritual help do not adopt a demogogic or excited attitude but a humble and serene one."

The Asuncion archbishop expressed the following concern: "We are concerned over what we hear and what we read in the newspapers about the arrest of Paraguayan citizens on the one hand and the defense of foreign criminals who have taken refuge in the country on the other."

"It is not our intention to obstruct the state's legislative actions of vigilance and prevention. But the frequently used formula, state of siege-law 209, lends to ambiguous interpretations and abuses. Moreover, the law rather indicates that a system of violence, which is neither human nor Christian, is in force."

"The National Constitution is very clear in Article 50: 'Every person has the right to have his life, physical integrity, freedom, security, honor, and reputation protected by the state.' The words of Jesus are also very clear: 'Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me,' (Matthew 25-40)."

The archbishop exhorts the judges to expedite proceedings. "A realistic and Christian look at today's world, shaken by violence, should urge us to lay aside egotism and divisionist ideologies and to partiotically unite in brotherhood to save our national community."

"We call upon the judges to expedite legal proceedings in the search for truth without useless waste of time and, above all, to act with courage and freedom, with truth and justice."

In conclusion, the Asuncion archbishop says: "We strongly desire and support any effort for the construction of a just, free, and solidary society."

DOCTORS, MEDICAL STUDENTS LIFT STRIKE

PY071736 Asuncion ABC COLOR in Spanish 7 Jul 83 p 10

[Excerpt] Yesterday resident doctors and interns of the clinical hospital and medical students lifted the strike they were carrying out to protest the arrest of Doctors Carlos Cuevas and Jorge Alvarenga. Alvarenga, who was expelled, is in Buenos Aires where he is being helped by the UNHCR.

Yesterday the resident doctors and interns met in the clinical hospital and later attended a mass held by Msgr Jorge Livieres Banks at 1000. The mass was also attended by Flora Miranda, Cuevas' mother, and Emiliana de Alvarenga, mother of the doctor who was expelled by officials. After the mass the doctors lifted the strike they had carried on for several days to protest the arrest of the two doctors. However, a decision to carry out a 24-hour strike once a week until all events were clarified prevailed.

GOVERNMENT SUSPENDS RADIO FOR 30 DAYS

PY100112 Asuncion Radio Primero De Marzo in Spanish 1730 GMT 9 Jul 83

[Relayed report by (Yiyo Riveros)]

[Excerpts] We are here at Radio Nanduti which was closed only about 15 minutes ago. At about 1115 a resolution arrived from the Interior Ministry suspending Radio Nanduti broadcasts for 30 days, and exactly at 1155 Radio Nanduti went off the air.

This is the text of the resolution:

Resolution 361, by which the suspension of the broadcasts of Radio Nanduti for 30 days is ordered.

Asuncion, 9 July 1983.

In view of the reports submitted to this ministry by the state security organizations which contain transcriptions of recordings of interviews and commentaries made by Radio Nanduti, and considering that the broadcasts of Radio Nanduti have systematically been disturbing public order and creating social alarm, that radio station has become a mouthpiece through which unscrupulous persons are confusing the public, endangering the political stability of the country and the freedom of expression guaranteed by the Constitution, one of the main objectives of which is sound and constructive criticism, and since it cannot be permitted that this freedom be abused in order to slander persons and institutions, sowing anger among Paraguayans and distorting the true mission of the press, therefore, in accordance with articles 50, 71 and 80 of the Constitution, the interior minister resolves:

Article 1. To order the suspension of the broadcasts on all frequencies of Radio Nanduti for 30 days as of the time of notification of this resolution;

Article 2. To communicate this resolution to the National Telecommunications Administration, ANTELCO, to oversee its fulfillment;

Article 3. It is so ordered.

[signed] Dr Dario Filartiga, Interior Ministry secretary general; Dr Sabino Augusto Montanaro, interior minister.

This is the text of the resolution that arrived at Radio Nanduti at 1115, brought by an officer named (Ojeda), as reported to us at this radio station.

This is all from Radio Nanduti for the Primero de Marzo newscast.

FINANCE MINISTER VIEWS DEFICIT, LOANS

PY061520 Lima COMERCIO in Spanish 22 Jun 83 p 4

[Excerpt] Yesterday Economy Minister Carlos Rodriguez Pastor reiterated that this year's fiscal deficit will amount to approximately 1.2 trillion Peruvian soles which represents approximately 4 to 5 percent of the estimated GNP.

At the end of a meeting with the joint budget committee the minister stated that "this is the goal of our policies because although we are enduring a crisis it can be stated that the situation has not gotten out of hand yet."

Rodriguez Pastor also stated that the government is determined to curb the inflationary spiral and that one of the measures which will help achieve this purpose is the reorganization of the finances of the public sector already underway.

He stated that this is why he has pointed out to the joint committee the importance of tax collection, cutting expenditures and subsidies and of becoming aware of the country's urgent need to contain the fiscal imbalance.

The minister also confirmed that the U.S. Government has cut a credit line to Peru granted through the Agriculture Ministry for the import of certain foodstuffs. He pointed out that this measures will not be lifted until an agreement is reached at the so-called "Paris Club" on the overall rescheduling of the foreign debt contracted with governments and state-owned enterprises which our country has proposed.

Rodriguez Pastor pointed out that the same thing has happened with the Japanese Government regarding a loan which had already been agreed on -- in principle and which hopefully will materialize -- to finance the Cerro Verde II project.

The minister pointed out that the "Paris Club" meeting will be held on 26 July and that Peru hopes to propose the rescheduling of its $300 million foreign debt contracted with governments and state-owned enterprises.

The finance minister ratified that at the end of this month Peru will obtain a $830 million loan from U.S., European and Japanese financial enterprises among others.

He pointed out that those loans have been granted on a 8-year term with a 3-year grace period. Rodriguez Pastor also disclosed that Peru hopes for an agreement with the World Bank for a $200 million loan.

MINERS DEMAND GOVERNMENT REOPEN MINES

PY071728 Paris AFP in Spanish 0159 GMT 7 Jul 83

[Excerpt] Lima, 6 Jul (AFP) -- Workers of the Cata Acari and El Aguila mines, who were fired from their jobs, peacefully occupied today the International Labor Organization (ILO) headquarters in Lima.

The miners, who have been in Lima with their wives and children for several months demanding that the government enforce a measure that will reopen the mines, said that they demand a meeting with Labor Minister Patricio Ricketts to seek a solution to their demands.

MARITIME AGREEMENT ON TRAINING RATIFIED WITH USSR

PA100249 Mexico City EXCELSIOR in Spanish 21 Jun 83 p 5a

[Text] Mexico ratified the bilateral maritime agreement with the USSR yesterday, involving the training of sailors in joint programs.

Anatoliy Vitalievich Goldobenko, USSR deputy minister for the Maritime Fleet, signed for the USSR. Fernando de Garay, assistant secretary of operations of the Communications and Transporation Secretariat, signed on behalf of the secretary of communications and transportation.

The agreement was signed at the outset of the third meeting of the USSR-Mexico joint commission on maritime transport, which will regulate bilateral commercial services.

The USSR deputy minister said that the Mexican Government's efforts to develop national transporation are so effective that the international aspects could be of great use to Soivet operations in that field.

Fernando de Garay said that this kind of relationship is the appropriate instrument for dealing with economic problems, not only in Mexico and the USSR, but in most other countries as well.

COUNCIL TO ENSURE ECONOMIC RECOVERY CREATED

FL090116 Mexico City NOTIMEX in Spanish 2320 GMT 8 Jul 83

[Text] Mexico City, 8 Jul (NOTIMEX) -- In an effort to ensure Mexico's economic recovery, the federal government today established the National Council for Financing Development, formed ofmembers of government, congress, unions and industry.

Finance and Public Credit Secretary Jesus Silva-Herzog presided at the ceremony held to establish the council, which will examine and evaluate the tasks of the country's financial system every 3 months.

Silva-Herzog recalled that anti-inflation polices, policies to achieve stability in the exchange rate, and policies to provide support for production and create employment are based on the financial system. In this sense, the commercial and development banking system will have to rearrange rules and functions, Miguel Mancera Aguayo, director of the Bank of Mexico, stated.

The National Council for Financing Development, he added, will diagnose problems and formulate recommendations to strengthen domestic savings, on which future development wil rest.

It has been proposed that public savings this year should represent 2.4 percent of the gross domestic product and that it reach 4.8 percent at the end of 5 years, Mancera Aguayo stressed. Finally, the director of the Central Bank noted that in coming years foreign credit will be scarce and should be managed with extreme care for the benefit of Mexico's financial prestige.

The council is formed by the secretariats of finance, planning and budget, nationalized commercial banks, development banks, legislative chambers, fiscal administrators, bank unions, professionals, businessmen, and financial scholars.

COUNTRIES TO APPLY JOINTLY FOR EUROPEAN LOANS

PA081436 San Salvador LA PRENSA GRAFICA in Spanish 7 Jul 83 p 38

[Excerpts] The financial needs of the Central American countries have been estimated at $1 billion, the Central Reserve Bank reported yesterday. It was reported that all the Central American countries will submit a joint application for financial, technical, and commercial assistance to the European financial community for that sum -- that is, $1 billion -- to meet the region's needs.

It was explained that this figure was estimated during the fourth meeting of the Regional Group of Coordinators for Foreign Financial Cooperation that was held recently in Honduras, during which the area's economic and social situation was analyzed in order to substantiate the request for assistance to be submitted to the European countries during an important meeting to be held in Brussels in September.

The amount to be requested would be distributed as follows: Central American Bank of Economic Integration, $200 million for industrial reartivation; the Central American Monetary Stabilization Fund, $200 million to bolster the balance of payments; Central American Common Market Fund, $300 million for reactivation of intrazonal trade and the central banks; and $300 million for long-term financing.

OIL PACT EXTENSION ASKED OF MEXICO, VENEZUELA

PA091919 Panama City Televisora Nacional in Spanish 2300 GMT 8 Jul 83

[Excerpt] The Central American and Caribbean nations have learned that no decision will be made on an extension of the San Jose Pact until after the Caracas Bolivarian meeting, when leaders of the area will meet with Venezuelan President Luis Herrera Campins.

Panama has requested this extension to Mexico and Venezuela on behalf of the Central American and Caribbean nations. The announcement also implies that no decision will be made yet on new rules that Mexico and Venezuela are studying for the new oil pact for the area. It has been said that this new pact would include a decrease in loans and a price increase of almost $1 per barrel of oil.

Panama and the Central American and Caribbean countries have asked Mexico and Venezuela to extend the San Jose Pact for 6 more months in order to have an opportunity for better consultations. The presidents of our countries made this request through a note. Arturo Vallarino, who delivered this request last week, told us the following: [Begin Vallarino recording] We understand that several presidents of Central America and the Caribbean are sending notes to the Mexican and Venezuelan presidents. Some of them will even visit Venezuela beginning 20 July on the occasion of Simon Bolivar's bicentennial, and it is certain that they will discuss the topic with Herrera Campins. We also know that experts of these countries will hold meetings, but that possibily no position will be adopted until August, when the Pact expires, because Venezuelan Energy Minister Calderon Berti and his team, and Mexican Energy Secretary Labastida, must go to Helsinki for an OPEC meeting next week; and then from there they will go to London for another annual OPEC meeting. Therefore, they will not meet with the presidents until after those meetings.

Meanwhile, the Central American countries will continue their efforts to obtain a more active participation in the drafting and implementation of the San Jose Pact. [end recording]

COSTA RICA

REPORTAGE ON AMBASSADOR STONE'S MEETINGS

FDR Delegates in San Jose

PA091734 Panama City ACAN in Spanish 1717 GMT 9 Jul 83

[Text] San Jose, 9 Jul (ACAN-EFE) -- Delegates of the Salvadoran FDR, the political arm of the FMLN, are in this capital to hold talks with U.S. special envoy Richard Stone, who arrived on Friday in Costa Rica from El Salvador. Jorge Villacorta, president of the FMLN political commission, confirmed the meeting without giving any details. One of the FDR delegates is Ruben Zamora, representative of that group in Washington.

Stone, who is on his second visit to the Central American area in less than 3 months, met last night with Costa Rican President Luis Alberto Monge and with Costa Rican Foreign Minister Fernando Volio, although it is not known what topics were discussed. The U.S. special envoy today delivered to Costa Rican authorities a military hospital with 420 beds for the homeless of last Sunday's earth tremor that affected many townships in the southern part of the country. The hospital will be administered by doctors and nurses from the U.S. military base in Panama.

Plan For Meeting Aborted

PA092032 Buenos Aires LATIN in Spanish 1952 GMT 9 Jul 83

[Excerpt] San Jose, 9 Jul (LATIN-REUTER) -- Richard Stone, President Ronald Reagan's special envoy for Central America, planned a secret meeting with guerrilla leaders in Costa Rica last night but the plan failed, diplomatic sources told REUTER today.

Stone arrived in San Jose yesterday amid growing speculation that he would meet with members of the FMLN, an organization within which five Salvadoran guerrilla movements are grouped. Five leaders of the FMLN political wing, including Ruben Zamora, also arrived in San Jose yesterday, a government official, who chose to remain anonymous, told REUTER.

The U.S. envoy and the guerrilla leaders were to have met last night, but did not do so because of differences over the nature of their proposed talks, the diplomatic sources stated. Stone, who planned to leave Costa Rica today, postponed his departure until tomorrow and is trying to arrange another meeting, the sources indicated.

Zamora and the FMLN invited Stone to meet with them during his first Central American tour last month. The former U.S. senator was sent by President Reagan as Washington's representative in the peace efforts here.

FMLN members said that they hoped to discuss the incorporation of leftists within the Salvadoran Government, which has been waging a 3 and 1/2-year civil war with the guerrillas that has claimed 42,000 lives. The U.S. Army receives training and provisions from the United States [as received].

Volio Comments on Meeting

PA100412 Paris AFP in English 0402 GMT 10 Jul 83

[Text] San Jose, July 10 (AFP) -- U.S. President Ronald Reagan's special Central American envoy Richard Stone may have met representatives of El Salvador's left-wing guerrillas in a house "50 minutes from San Jose," Costa Rican Foreign Minister Fernando Volio said Saturday. He gave no further details, but informed sources here said two leaders of El Salvador's Democratic Revolutionary Front [FDR], Ruben Zamora and Guillermo Ungo, had been waiting for Mr Stone to open talks with them.

The U.S. envoy, who arrived in the Costa Rican capital Friday from El Salvador, where he met with government officials, has refused to talk publicly about his current mission. But reliable sources have said that Mr Stone is trying to open a dialogue between the Salvadoran regime and the guerrillas aimed at settling the Central American nation's three-year civil war.

Monge Mediating Role Suggested

PA101412 San Jose Radio Reloj in Spanish 1330 GMT 10 Jul 83

[Text] Richard Stone, President Reagan's special ambassador to Central America, who has been in Costa Rica for the past 2 days, is still holding a secret meeting in our country with representatives of the FMLN of El Salvador, according to reliable sources. Ruben Zamora, the FMLN's representative in Washington, and Jorge [name indistinct], the organization's representative in Costa Rica, have been Ambassador Stone's interlocutors.

It is believed that President Luis Alberto Monge could be mediating in the talks initiated last night by Stone and the Salvadoran guerrillas, according to political observers. It has been also reported that President Monge has suspended a tour he had scheduled for today to the area affected by the earth tremors.

Yesterday morning, Stone donated a field hospital to Costa Rican authorities. This U.S. aid is to help with the crisis in San Isidro. Later Mr. Stone disappeared, but he is somewhere in Costa Rica, supposedly meeting with leaders of the Salvadoran guerrillas. So far there has been no official information on this from any of the parties involved in the talks.

Stone Departure Set

PA101759 Panama City ACAN in Spanish 1715 GMT 10 Jul 83

[Text] San Jose, 10 Jul (ACAN-EFE) -- Richard Stone, U.S. ambassador at large for Central America, plans to leave this morning for the United States, after having held meetings with Costa Rican President Monge, Foreign Minister Volio, and FMLN leaders. Total reserve has been maintained on the results of several meetings in which military and political advisers, including the U.S. Embassy political attache, participated.

However, FMLN leaders have announced that a statement will be released in the coming hours on the results of that meeting held yesterday. Stone, his wife Marleen, and his group of advisers will leave for the United States, presumably to report to the White House, aboard a special U.S. Air Force plane.

A group of U.S. Embassy officials is at Juan Santamaria Airport at this moment to see off President Reagan's ambassador at large for Central America.

The diplomat and the group of advisers accompanying him stayed almost 48 hours in Costa Rica, making efforts to secure a dialogue with the Salvadoran guerrillas, according to information obtained by ACAN-EFE. Ruben Zamora and Jorge Villaplana participated as FMLN representatives.

Stone Terms Talks 'Useful'

PA101942 Panama City ACAN in Spanish 1907 GMT 10 Jul 83

[Excerpts] San Jose, 10 Jul (ACAN-EFE) -- Richard Stone, U.S. President Ronald Reagan's ambassador at large for Central America, left this city minutes before 1230 (1830 GMT), without making any comment on the failure to meet with members of the Salvadoran opposition. Stone affirmed that the talks with Costa Rican President Luis Alberto Monge and Foreign Minister Fernando Volio had been "very useful."

He also described as useful the dialogue held in the past 24 hours here with "other persons," which gives ground to the rumor in political circles that there have been some contacts -- perhaps through the mediation of other persons -- with delegates of the Salvadoran opposition. The U.S. ambassador at large declined to comment when asked about a possible future meeting with members of the FMLN-FDR.

ACAN-EFE learned from circles close to the U.S. Embassy in this capital that Richard Stone is traveling to San Salvador, where he will meet with President Alvaro Magana. According to these same sources, Stone promised President Magana last Friday that he would keep him posted on his contacts and conversations in San Jose.

Despite the FMLN-FDR statement that they did not meet yesterday with Ronald Reagan's envoy, everything seemingly indicates that couriers were busy carrying notes exchanged between the North American and the Salvadorans.

FMLN Reports Talks' Failure

PA1011824 Panama City ACAN in Spanish 1746 GMT 10 Jul 83

[Text] San Jose, 10 Jul (ACAN-EFE) -- The meeting that Richard Stone, U.S. ambassador at large for Central America, was going to hold in this capital with Salvadoran guerrilla representatives failed due to "matters of procedure." According to a communique issued at midday today by the FMLN and the FDR, the meeting also failed because of the "climate of propaganda that preceded it, despite the fact that it was convoked with a private nature."

The Salvadoran guerrilla representatives also state that they do not assume responsibility for the publicity that surrounded the possible meeting. Nevertheless, the FMLN-FDR recognizes that "the efforts undertaken permitted the beginning of communication between Stone and ourslves through a highly qualified" intermediary.

According to all indications, that intermediary was Costa Rican President Luis Alberto Monge, who arranged the holding of the meeting.

However, the Salvadoran guerrilla delegates saw Luis Alberto Monge and voiced their desire to "continue to work to secure dialogue," as well as the desire that the Costa Rican president maintain his efforts to that effect. The FMLN-FDR reiterated their readiness to engage in dialogue with Ronald Reagan's administration and their hope to meet with Richard Stone "without prior conditions, based on an open agenda within an adequate framework."

The representatives of the Salvadoran armed movement are of the opinion that future negotiations or dialogues must be with persons in the government of their country who have policymaking powers and that the United States must declare themselves part of the Salvadoran conflict, and not "intermediaries." According to FMLN-FDR, there are substantial aspects that must be discussed by them and the Salvadoran Government with the attendance of the Washington representatives.

The delegation of the "Farabundo Marti" and democratic Revolutionary Fronts do not wish to recognize any representation whatsoever of the Salvadoran Government's Peace Commission. The FMLN-FDR commission that was in this capital was made up of FDR President Guillermo Ungo and the political-diplomatic commission, whose members included Ruben Zamora Rivas and Mario Aguinada.

MINISTER VOLIO DENIES 3 JULY NICARAGUAN CHARGE

PA091739 Buenos Aires LATIN in Spanish 2014 GMT 8 Jul 83

[Excerpts] San Jose, Costa Rica, 8 Jul (LATIN-REUTER) -- Costa Rican Foreign Minister Fernando Volio denied today that his country is being used by anti-Sandinist guerrilla groups as a base for attacks on neighboring Nicaragua. The foreign minister told newsmen that the 3 July note sent by Nicaragua accusing Costa Rica of sheltering Nicaraguan rebel exiles was not true. He said that a 4-day investigation initiated in response to the note did not shed any evidence to support the Nicaraguan charge.

Interior Minister Edmundo Solano, who is in charge of the investigation, said that guerrilla activities in southern Nicaragua in fact stem from rebels who have their bases in that country and not in Costa Rica.

In a related event, the immigration authorities have announced new restrictions on the entry of Nicaraguans and Salvadorans to the country. They indicated that the measure seeks only to protect Costa Rica from the political turmoil in the region. Beginning yesterday Nicaraguans and Salvadorans must obtain visas in order to travel to Costa Rica. Previously, Salvadorans and Nicaraguans could enter Costa Rica simply by presenting their national identification cards. For a long time Costa Rica has been on the sidelines of the violence shaking Central America.

EL SALVADOR

SECURITY TIGHTENED AT U.S. EMBASSY 8 JULY

PA091935 San Salvador Radio Cadena YSKL in Spanish 2030 GMT 8 Jul 83

[Text] The environs of the U.S. Embassy and of the residence of U.S. Ambassador Deane R. Hinton are under heavy police guard, particularly by antiriot units, to forestall disturbances in the area.

According to military sources contacted by this station's news service, antiriot police have been deployed around the U.S. Embassy with tear gas equipment because, according to military intelligence, certain sectors were planning to stage demonstrations at the U.S. Embassy today.

Everything is calm in the area around the Embassy, as well as in the area around the ambassador's residence. In addition, this afternoon Richard Stone, President Ronald Reagan's special envoy, left for San Jose, Costa Rica, after spending less than 24 hours in El Salvador. He met for approximately 4 hours in a closed-door session at Government House with President Alvaro Magana Borjas, all the members of the Apaneca Pact political commission, the peace commission, and high-ranking personalities and representatives of all legally registered political parties.

No details of that meeting have been released to the local and international press, although high-ranking Government House spokesmen have said that Mr Stone's trip to San Jose is indeed for the purpose of meeting with representatives of the FDR and FMLN who are in that city.

OFFICIALS COMMENT ON STONE'S COSTA RICAN VISIT

PA02112 San Salvador Radio Cadena YSU in Spanish 1800 GMT 9 Jul 83

[Excerpt] Official sources have told this station that Richard Stone, special envoy for U.S. President Ronald Reagan, will return to this country tomorrow. Mr Stone is on a peace-seeking mission in Central America, particularly in El Salvador.

Well-informed sources have told YSU that the information was released by the U.S. Embassy here and that the exact time of Mr Stone's arrival at Ilopango Military Airport was not given; it was only stated that he will arrive tomorrow.

It is known that the U.S. special envoy has met only with Presieent Luis Alberto Monge during his visit to Costa Rica. It is not known whether he has contacted Salvadoran leftist leaders, who have proposed that talks be held in the hope of arriving at a peaceful solution to the armed conflict that is underway in El Salvador. The Salvadoran guerrillas have said that they are willing to talk with the U.S. envoy, as long as the talks are held without preconditions.

Stone Returns From Costa Rica

PA100130 San Salvador Radio Cadena YSKL in Spanish 0025 GMT 11 Jul 83

[Text] Richard Stone, special U.S. Ambassador to Central America, has arrived in El Salvador after visiting Costa Rica. President Reagan's ambassador was in El Salvador earlier, 2 days ago. He will now meet again with President Alvaro Magana. Richard Stone left Costa Rica without having met with representatives of the Salvadoran guerrillas.

This meeting was announced yesterday as a certainty, but it was not held for unknown reasons. On leaving San Jose for El Salvador, Stone said that his talks with Costa Rican President Luis Alberto Monge and Foreign Minister Fernando Volio had been very useful. He declined to comment on the Salvadoran guerrillas.

MAJ ROBERTO D'AUBUISSON HOLDS NEWS CONFERENCE

PA081344 San Salvador Radio Cadena YSU in Spanish 1800 GMT 7 Jul 83

[Text] Major Roberto D'Aubuisson Arrieta, leader of the Nationalist Republican Alliance, ARENA, today called a news conference for local and foreign journalists at the party's headquarters to reveal the party's views concerning the murder of labor leader -- as he called him -- Rene Barrios Amaya.

D'Aubuisson said Rene Barrios Amaya had been a true labor leader; that ARENA strongly condemned this crime, and that it would never support such actions from any side. The ARENA leader said -- as you will hear in his own words -- that the authorities will be pressed to clear up a sinister plot, already known to them, which was to be put into effect by the Salvadoran guerrillas to eliminate Salvadoran political leaders. The following is the recording of the news conference offered by Maj Roberto D'Aubuisson.

[Begin recording] I have called this news conference at the party's headquarters, since it concerns party views, and we felt it was not advisable to hold it at the assembly. The main objective of this news conference is to voice our official position concerning the death of Deputy Rene Barrios Amaya. We particularly want the international press to carry out position to the public opinion of their respective countries.

In the past, the ARENA party, and I in particular, have been accused of being rightist, ultrarightists. In fact, one reporter asked me if it was true that I could (?talk) with peasants.

Those who killed Rene -- the People's Liberation Forces, FPL, which have (?claimed) responsibility for the death of Rene -- have killed a labor leader, have killed a [word indistinct] and have killed one of the strongest ARENA party pillars in this political campaign.

When we organized the party, Rene Barrios earned his living with his sons driving a taxi or making lamps in his house, in the municipality of (Montserrat). Rene knew the risks when we started the political campaign, just as all did. He reached the position he held through his own efforts because he was a capable and sincere man throughout the entire campaign. He succeeded me in [words indistinct] in the labor and business sectors. It was a struggle we had to undertake, and which no other party had presented. [Words indistinct] to bring together the management and the workers. However, throughout the campaign, we continued to be called extreme rightists, rightists opposed to reforms. [Words indistinct] that the public should know what ARENA is that we are not what they claim we are. It is time, after being discredited internationally, that we should be recognized for our work, our efforts, and our sincerity. I do not ask you to help us as a party, but only to report to the public opinion you serve.

We strongly condemn this type of crime. We have never supported these actions. If we had had the intention of supporting such cimes, we would not have organized a political party or appeared in the democratic field. We would not have made public recommendations to our people. We were afraid that something like what occurred to Rene Barrios Amaya would happen to some of us. In this news conference [words indistinct], we want to demand that the authorities clarify the sinister plan that we know the authorities, especially the National Police, are aware of through the captured members of the Armed Forces of Liberation, FAL, which is the armed branch of the Communist Party, and the ERP [People's Revolutionary Army].

Through them the police learned of the plan they had for the elimination of me, Hugo Barrera, Rene Barrios, and other people of ARENA and other parties. We were (?told) over the telephone to take precautions. I would like the authorities to clarify all the information they have regarding these plans by subversives to eliminate officials and political leaders.

We have been insisting that the Salvadoran people should join efforts and capacities and support the armed forces in this struggle against subversion. In view of what has occurred and what can continue to occur to patriotic citizens of our country, we must also insist that civil defense must be organized. The Salvadoran people must be more aware now. I know that the people want to cooperate actively and participate. The civil defense must be organized in the neighborhoods and districts, especially in the large urban areas. These people do not necessarily have to be armed. They only need to organize and warn the nearest authority when they have any suspicions about some groups that do not live in that neighborhood or district. If someone could have reported that two vehicles were waiting for Rene, maybe he would not have left his house that day and he would have called someone. But they were there waiting for him, for several days, just waiting for the moment when he would pass by alone. (?The day of his death) he was alone.

All Salvadorans are telling the military authorities that we want to participate in that defense. We must cooperate with the armed forces in their struggle against subversion. We also want to state that as a party we remain firm in our willingness to have interparty unity, a national unity centering around the main problem, which is subversion; and leaving to a secondary level any other problem we are experiencing. The leaders and political parties must totally concentrate on the Salvadoran people's desire to live in peace. We must leave our interparty and ideological differences for later, for a political campaign.

This is essentially what we wanted to state during this news conference, but we will be willing to reply to any of your questions. [Question indistinct]

[D'Aubuisson] That is right. We commented on that during the news conference in the assembly during the [word indistinct]. The idea or program that I have is that after the constitution is signed I will submit to the board of directors and the people my resignation as president of the assembly so that I can then work as a deputy. Once I am a deputy, I will request leave without pay so that I can devote more time to the party.

[Question indistinct]

[D'Aubuisson] We have decided that the party should not publicly mention names because we know that this could cause, let us say, resentments [words indistinct]. The delegates to the convention will bring their proposals and we will be analyzing each of the nominations so that the convention will elect them. [end recording]

TELECOMMUNICATIONS WORK GAINS IN EASTERN REGION

PA100239 San Salvador EL MUNDO in Spanish 8 Jul 83 pp 1

[Excerpts] San Miguel, 8 Jul -- Early this morning one could hear the din of the battle for the possession of Nueva Cranada, Usulutan Department, in the distance, according to travelers from that area.

The sources said that, according to eyewitnesses, some 500 extremists were attacking the town with bazookas, bombs, 51-cal machineguns, handgrenades and rifles, and that they were being held back by some 100 troops from the 4th Military Detachment of Usulutan and between 20 to 30 Civil Defense members. Reinforcements were expected this morning.

An official source said that efforts are being made to reestablish telephone communications in the eastern zone. So far repairs have advanced 50 percent of the distance between San Salvador and San Miguel, and from San Miguel 50 percent of the way to San Francisco Gotera and 10 percent of the way to La Union. Communications are down between San Miguel and Usulutan and between San Miguel and San Vicente, in that region. As for communications with the central and western regions, one has to call San Salvador, for the connection to be made there. It was said, however, that the repair work is advancing rapidly.

Communications With Morazan Restored

PA100242 San Salvador EL DIARIO DE HOY in Spanish 9 Jul 83 pp 5, 41

[Excerpt] Telephone and telegraph communications with Morazan Department have been fully restored. They had been interrupted due to a terrorist attack on the El Pacayal repeater station. This announcement was made by Colonel Mauricio Daniel Vides Casanova, manager of the National Telecommunications Administration, ANTEL, after he personally corroborated the fact by telephoning the chief of the ANTEL branch in Morazan.

ARMY REPORTS ON ACTIVITIES IN USULUTAN

PA080222 San Salvador Radio Cadena YSU in Spanish 1200 GMT 7 Jul 83

[Text] Yesterday we travelled to the eastern part of the country up to Usulutan Department to bring to you a full report of what is happening there. We used the Coastal Highway up the recently destroyed Oro Bridge over the Lempa River, where we first made contact with members of the armed forces stationed there. They told us that the Salvadoran Army had recently been very busy fighting the guerrillas active in the area, particularly between road to 14 de Julio and the San Augustin sector.

We continued on to Usulutan Department where we met Colonel Napoleon Calito, commander of the Atonal Battalion. He gave us information on their activities in that part of the east. Among other things, he told us that for the last 22 days they have been active against the subversive forces in the area and that the armed forces have had positive results.

We were able to confirm that the CEL [Lempa River Hydroelectric Executive Commission] crews are working hard to bring electricity to the Coastal Highway from unpopulated sectors, since the guerrillas have recently destroyed all high-tension towers, The Army has destroyed several camps in that sector. The Atonal Battalion and units of the 4th Brigade stationed in Usulutan has full control over the Coastal Highway. We can tell our listeners that traffic on the Coastal Highway up to the city of Usulutan is normal.

Later, we visited the Santa Elena area because we had received reports of heavy fighting there last Tuesday afternoon. Military sources told us that on Tuesday afternoon, subversive elements operating in the area occupied Los Amates Canton in Los Arenales. They tried to recruit civilians for the guerrilla movement.

A Cazadores company from the 4th Regiment in Usulutan clashed with the guerrillas. One soldier was killed and another slightly wounded. The rebels suffered four wounded, whom they took away with them.

We wanted to get more information on the actions in Usulutan Department because government sources had announced a new important operation in that sector. We travelled the Pan-American Highway toward San Salvador. The Pan-American Highway is well guarded from the El Triunfo road to Cuscatlan bridge. According to Lieutenant Alvarado, units of the 3rd Brigade stationed in San Miguel had been brought in to provide greater protection for the Cuscatlan bridge. He noted that it is the last one left and must be well guarded.

We saw a large number of troops in the area. We observed that the public transportation traffic to eastern El Salvador is normal.

The Quebrada Seca bridge was totally destroyed by the guerrillas. The vehicles are fording a shallow part of the river. The chief of the crew working on the bridge told us that it will be ready for traffic next Friday or Saturday. The area is well protected by the troops who have been provided with armored vehicles, submachineguns, and other heavy weapons. We noticed similar heavy Army protection along the San Salvador-San Vincent road. Those troops are also equipped with armored vehicles and heavy weapons. Troops deployed along the Santa Clara detour told us that the Atlacatl Battalion was headed for Berlin to initiate a coordinated operation with the Atonal Battalion and the 4th Brigade. They were going to recover some areas in Usulutan Department, particularly from the north to the south along the coast. Our military source told us that Santa Clara was calm.

During our tour of the east, we contacted Colonel Napoleon Calito, Atonal Battalion commander, The battalion is currently engaged in a big operation in the area of Usulutan near the Lempa River. Colonel Calito revealed important information for our YSU listeners. Here is an interview with Col Napoleon Calito: [Begin recording] [Reporter] Today, we are going to interview Col Napoleon Calito, Atonal Battalion commander. The battalion is currently engaged in an important operation in Usulutan Department near the Lempa River. What can you tell us about the operation, colonel?

[Calito] Well, so far we have intensified the dislodging of the terrorists who occupied the general area of 14 July Street, north of the Coastal Highway in Usulutan Department. We have been engaged in this activity for the last 22 days and we have regained control of a large area. The enemy has suffered heavy casualties and has fled northward.

[Reporter] Is the objective of this operation only to control this area or also to pursue the rebels?

[Calito] Both, because one is a consequence of the other. First, we must clear the area; later we will pursue the enemy wherever he may be. We will totally clean up Usulutan Department.

[Reporter] What areas are already under the Atonal Battalion's control, particularly since Piedra Blanca, the road to 14 de Julio, and Tres Calles have always been a strife-torn sector where the guerrilla activity has been constant?

[Calito] The Atonal Battalion directly controls the sectors which include the environs of Piedra Blanca, Tres Calles, the (Cena de Sal) bridge, and the road to 14 de Julio, as well as the camps at La Joya, La Mora, and those near San Francisco Javier. The entire sector covers approximately 36 square kilometers.

[Reporter] Does your presence in the area means that greater importance is being given to the activities near the Lempa Bridge, or might heavy fighting occur in other sectors of Usulutan Department?

[Calito] No, my presence here is normal because the battalion always moves with all its chiefs and officers. The bridge is well guarded by units of the 4th Detachment which has been entrusted with its protection.

[Reporter] Is the entire battalion in this sector?

[Calito] Yes.

[Reporter] Besides the Atonal Battalion, are there any other Salvadoran reinforcements supported by the artillery and Air Force?

[Calito] Yes. In fact, in every plan we take into consideration the support from other military organizations such as the 4th Detachment, the Air Force, and troops from other garrisons. However, here in Usulutan Department we only have the Atonal Battalion, the 4th Detachment, and Air Force support.

[Reporter] You said there had been several confrontations, and that you had apparently dismantled some guerrilla camps.

[Calito] Yes, and that has already been publicized. Because everytime we have some action, we sent a report to COPREFA [Armed Forces Press Committee] which usually dispatches some of its personnel to make notes and films, if possible.

[Reporter] How many casualties have been reported thus far and what are the guerrillas' estimated losses during the operation?

[Calito] We cannot determine the exact number of casualties at this time because during these activities we cannot obtain exact figures for either side. Only after the end of the action do we proceed to establish the exact number of casualties. However, in the present operation, I would say that the casualty rate is 10 to 1 against the enemy.

[Reporter] Have any clashes been reported today?

[Calito] Not today. However, yesterday we did make contact with the enemy as they tried to reoccupy the area; but we are not going to permit that.

[Reporter] Last Monday, Colonel Alonso Amaya, general coordinator of the National Commission for the Reconstruction of Affected Areas, CONARA, said that an operation was getting underway today in southern Usulutan Department to reconstruct the areas destroyed by the guerrilla activities. He said that other battalions were going to join the operation. Have these reinforcements arrived, or is the Atonal Battalion the only one in the program?

[Calito] If you are referring to Usulutan Department, we still do not know the details of the program. It may already have been planned and he just made the statement in advance. As far as I know, we have received no information on such activities.
[Reporter] The colonel said that the reconstruction operation would be similar to that of San Vicente, particularly in the southern area, so that all peasants who have fled the area could return to work, under the protection of the Salvadoran Army.

[Calito] That program is to be implemented at the government level, because all Salvadorans must join efforts to create a nationwide peace commission by coordinating all the different organizations so that our people and the foreigners residing in El Salvador may understand and join our effort to achieve peace. Furthermore, efforts should also be made to have the terrorists realize that destruction only results in the loss of lives, and that instead they should cooperate with the national-level peace commission to achieve that objective.

[Reporter] How do you view the military action when, through a clandestine radio station which claims to be their official voice, the guerrillas daily report crippling blows to the Salvadoran Army?

[Calito] Anybody can say what they want either openly or through clandestine means.

[Reporter] Are you also in charge of protecting those who travel the coastal highway and guarding the electric energy installations?

[Calito] We are not exclusively in charge of providing security to such persons, but we are committed to keeping the highway open and to preventing the terrorists from harming the population.

[Reporter] Do you have anything else to tell the Salvadoran people listening to you through YSU?

[Calito] Well, I would recommend that all Salvadoran citizens unite in a single project rallying to encourage the people to join us in the efforts to achieve peace, and to convince the intransigents that our objective should be to ensure peace in El Salvador.

LENCA BATTALION REPLACES ATLACATL IN MORAZAN

PA081501 San Salvador LA PRENSA GRAFICA in Spanish 7 Jul 83 pp 3,22

[Text] Troops of the Lenca Battalion from Goteras and Salvadoran Air force paratroopers are engaged in search operations in various areas of Morazan Department, thus relieving the Atlacatl Battalion, which was active in the area for 2 months.

Colonel Jorge Adalberto Cruz, commander of the Armed Forces Commando Training Center, is in command of these troops. No clashes have taken place between the troops of these battalions and terrorist groups in the 48 hours since the replacement, armed forces spokesmen have reported.

The subversives continue harassing Jocoaitique, Perquin, Joateca, and San Fernando; other towns are under absolute Army control.

The troops of the Atlacatl Battalion went to San Salvador overland. The Lenca Battalion and paratroopers also traveled by land.

We were told yesterday that the searches continue in various areas of San Vicente Department. The troops of the Atonal Battalion continue patrolling various areas in Usulutan Department.

In another quarter, the National Commission of Reconstruction of Affected Areas continues distributing food, medicines, and first aid supplies through medical brigades and Armed Forces medical personnel.

We were told also that the 3d Infantry Brigade headquartered in San Miguel is conducting searches for terrorist redoubts in various rural areas under its jurisdiction. There was an armed clash in the rural area of San Gerardo, a town in that department. The number of casualties is unknown, an official report indicated.

COPREFA REPORTS 2 KILLED IN CLASH IN SANTA ANITA

PA092331 San Salvador Radio Cadena Sonora in Spanish 1200 GMT 9 Jul 83

[Press release from the Salvadoran Armed Forces Press Committee (COPREFA); date not given]

[Text] Two terrorists have been killed in Usulutan. Two terrorists were killed in a clash with members of the 3rd Infantry Brigade, headquartered in San Miguel, who are assigned to duty at the San Lorenzo dam. The clash took place at Santa Anita canton, Mercedes Umana Jurisdiction, Usulutan Department. One FAL rifle and a large amount of ammunition were seized during the clash. The 3rd Infantry Bridgade did not suffer any casualties.

COLONEL ON CLEANUP OPERATION IN CHALATENANGO

PA102115 San Salvador Radio Cadena YSU in Spanish 1800 GMT 9 Jul 83

[Interview given by Colonel Ramon Antonio Morales Ruiz, commander of the Salvadoran Army's 4th Infantry Brigade, headquartered in El Paraiso, to Ana Leonor Cabrera in Tejutla, Chalatenango, on 8 July -- recorded]

[Excerpt] [Cabrera] Colonel, we understand that the Army is engaged in an operation to dislodge the rebels in this region. Could you give us some details on this?

[Morales] The operation in northern Chalatenango began last Friday and involves some 4,000 men. We have had many victories, our troops' morale is high, and the people's attitude is positive toward the armed forces and negative toward the subversives, particularly here in Tejutla. The operation will continue indefinitely in the northern region until we have completely cleaned and freed those areas allegedly under the control of the FPL [People's Liberation Forces]. Therefore, very soon, and employing a new strategy, we will liberate the entire region.

[Cabrera] Colonel, how many guerrillas do you estimate are operating in this region?

[Morales] According to reports we have received from area residents, I would say that there are some 1,000 guerrillas.

[Carbrera] Have there been any clashes between the rebels and army troops in these 8 days of operations?

[Morales] Our strategy has been to stage rapid surprise attacks, for which they are not prepared, and consequently they do not fight back. Instead, they run for their lives, avoiding combat and fleeding in disarray. We have not engaged in any heavy clashes, only in small skirmishes, in which we have suffered no dead or wounded. On the other hand, we have confirmed reports that the enemy has suffered four dead and five wounded.

[Cabrera] Colonel, have any guerrillas turned themselves in here in Chalatenango, as a result of the government's amnesty law?

[Morales] Yes, some have turned themselves in to the first detachment, which is a part of the 4th Brigade, in the departmental capital. I don't have the exact number, but we have been told by area residents that there are many rebels who wish to turn themselves in; some will probably do so today. We will issue a report on this at an opportune time.

CHAVEZ MENA DISCUSSES CONTADORA EFFORTS

PA091342 San Salvador EL DIARIO DE HOY in Spanish 8 Jul 83 p 3, 21

[By Carlos Mangandi Toledo]

[Text] "The next meeting of foreign ministers with the Contadora Group will be the third. Recently, there was a meeting of the technical group, but no meeting of foreign ministers has beenscheduled for July." This statement was made yesterday by Foreign Minister Fidel Chavez Mena during an exclusive interview with EL DIARIO DE HOY.

"We hope to reach agreement, but no date has been set. This will be done by consensus with the participating countries, "he added. "Obviously, El Salvador is prepared to attend this new meeting of foreign ministers with the Contadora Group. There is an established agenda of a multilateral nature for the next meeting."

He noted that during the previous meeting it was determined that there are four major problem areas: The first -- or conceptual -- area, which is aimed at clearly determining the application of the principles of nonintervention and the right to self-determination of peoples; the second area, which concerns the strengthening of the democratic processes and institutions of each one of the Central American countries -- included under the topic of political and security problems, and requiring a clear discussion of the problem of the arms buildup in the region and the problem of arms trafficking; the third area, which refers to the political and armed aggression; and the fourth area, which concerns the problem of the conflicts among the Central American states." [quotation marks as published]

He said the third area covers economic and trade relations.

The fourth area is concerned with "matters related to the agreements on development and guarantees of the agreements that may or may not be eventually reached within the Contadora Group. The agenda is quite broad, and its concept is regional, not bilateral. We have always maintained the position that the problem in Central America must be viewed from a strictly regional standpoint, "he stressed.

When asked about the creation or a UN peace force for the region, especially to tackle the Honduran-Nicaraguan problem, the foreign minister answered: "I know of no specific proposal, but our position in regard to the Central American problem is, in the first place, that everything must be viewed from a regional standpoint. In other words, the options and legal instruments established by the inter-American system must be exhausted. I think that the Security Council and the United Nations have no authority to take action in this matter without prior knowledge of the OAS and the application of the rules established by the already mentioned laws and system."

The question arose as to whether the (our) foreign minister thinks the Contadora Group's efforts to find a path to peace in Central America can be effective. Chavez Mena answered: "We think that this option must be duly exhausted and developed. I think that the option and possibility that the Central American countries meet to discuss and analyze with utmost objectivity, seriousness, and responsibility the Central American problems are positive. I think that every effort that all of us may make jointly to achieve peace and to seek minimum bases of understanding will always be healthy for the democratic and peace processes in Central America."

Regarding Ambassador Richard Stone's visit, he said: "His visit is obviously part of the functions and work assigned to him by his government. I hope that these visits by Mr Stone will yield positive results and help consolidate our democratic process, lay the groundwork to solve gradually our country's economic and social problems, and generate a peace process that will lead to a complete end of this violence, which is mercilessly taking a toll of young lives, and lives of every type, in our country."

"I think that I am interpreting the real feelings of our people, who definitely want peace," the minister stressed.

ARMY SAYS CALDERON SENT TO MILITARY JUDGE

PA100028 San Salvador Radio Cadena Sonora in Spanish 1200 GMT 9 Jul 83

[Communique issued by the Salvadoran Armed Forces Press Committee (COPREFA) in San Salvador on 8 July]

[Text] COPREFA wishes to inform the general public that the National Police turned Ricardo Ernesto Calderon Juarez over to the corresponding military judge today. Calderon Juarez, who holds a degree in journalism, is the secretary general of the National University of El Salvador. The National Police arrested Calderon Juarez on 28 June to check into information gathered about him some time ago, indicating that he works for the clandestine terrorist organization Peoples Liberation Forces, FPL, which is a member of the FMLN-FDR.

As for his activities in favor of the FPL, Calderon Juarez admitted that he has been a member of the FPL since January 1980, using the alias of Neto. He was recruited by Oscar Bonilla, a former secretary general of AGEUS [General Association of Salvadoran University Students], who is currently in Mexico working with an FMLN-FDR political committee. Bonilla's pseudonym is Armando.

As for tasks that he has carried out on behalf of the FMLN-FDR, he mentioned the training of groups of professors from the ANDES 21 de Junio [21 June National Association of Salvadoran Teachers] and university students who are FPL members. He taught these professors and university students the objectives and techniques of mass communications, so that they could prepare newspapers, bulletins, [words indistinct], reports on political and ideological topics, etc. He also taught them the effects that mass communications can have on the people. This training enabled them to create a team to draft and prepare propaganda for the FPL and the mass organizations of the People's Revolutionary Bloc. For this task, the FPL assigned a man known as Milton or Roberto as his direct supervisor. This supervisor has an assistant, who uses the aliases Jose or Federico.

In view of the current political situation in the country, the FPL compelled him to prepare analyses of the situation and to recommend future action.

Later on, they also had him send out feelers about the reactivation of mass student organizations at the National University, and to campaign for and support the FMLN-FDR's strategy of negotiations.

He also had the mission of keeping the university community active, and of causing it to spread out to professional sectors and labor union organizations. He said that the negotiations proposal is only a ruse, since the FMLN-FDR's goal is to achieve total power, and that it is therefore important for them to reactivate the masses so that they can foster disagreements, protests, strikes, demonstrations, and open opposition to the armed forces. He added that the plan to reactivate the masses also envisions the recruitment of people for the FMLN-FDR armed struggle.

In conclusion, Calderon Juarez admitted that he has held meetings at the Catholic University UCA [Central American University] at high schools, grade schools, etc., to carry out these tasks.

COPREFA COMMENTS ON 'BLUE, WHITE MOVEMENT'

PA081948 San Salvador Radio Cadena Sonora in Spanish 0230 GMT 8 Jul 83

[Communique issued by the Salvadoran Armed Forces Press Committee in San Salvador on 7 July]

[Text] Regarding the report issued by an international news agency regarding an anonymous statement released by a clandestine movement calling itself the Blue and White Movement, which according to speculations is comprised of young officers, the Armed Forces Press Committee, COPREFA, states:

1. The anonymous statement sent to the news media, which seeks to create a division in the armed forces, is nothing but a new maneuver by the FMLN to confuse public opinion.

2. The FMLN has had to make up imaginary divisions in the Army in order to try to conceal its own internal problems, which have led it to deadly purges in its leadership and the establishment of restrictive measures on some of its fellow groups.

3. The armed forces remain firm and united around their decision to struggle for peace and the defense of the national sovereignty.

4. Therefore, COPREFA rejects that report as false, and it asks the news media not to give credence to any kind of anonymous statements, in line with their social responsibility and prestige as enterprises.

FMLN-FDR COMMUNIQUE ON EFFORT TO MEET STONE

PA110341 (Clandestine) Radio Venceremos in Spanish to El Salvador 0245 GMT 11 Jul 83

[Text] Ronald Reagan's government has sent special envoy Richard Stone to Central America for the second time, fulfilling, in part, one of the conditions imposed by the U.S. Congress on the multimillion dollar military aid given the Salvadoran dictatorship. The FMLN and the FDR agreed to hold talks in Costa Rica with Mr. Stone; U.S. Ambassador Stone, however, refused to hold those talks.

Radio Venceremos will now present the FMLN-FDR communique on Mr Stone's visit to Central America.

Press Communique:

1. On an initiative from President Luis Alberto Monge, a meeting between U.S. Special Ambassador Richard Stone and FMLN FDR representatives had been scheduled foryesterday, 9 July.

2. Unfortunately, no agreement could be reached on procedural aspects, thus preventing the meeting. The propaganda climate preceding it did not contribute either, although it had been arranged that the meeting would be of a private nature.

Our fronts wish to state for the record that they complied scrupulously with what had been agreed to in regard to the nature of the meeting.

3. Despite the foregoing, we feel that the efforts made permitted a beginning of communication, through a highly qualified middleman, between Ambassador Stone and our fronts.

4. We thank Costa Rican President Luis Alberto Monge for the efforts he made, as well as for efforts to try to overcome the points of disagreement.

5. The FMLN-FDR delegation told President Monge about our front's willingness to continue efforts to work out the dialogue, as well as about our desire that the president keep up his efforts in this sense.

6. The FMLN-FDR reiterate their willingness to engage in dialogue and hope that in the near future it will be possible to meet with Ambassador Richard Stone without prior conditions, on the basis of an open agenda and within a framework of agreement.

7. The FMLN-FDR delegation was made up of Dr Guillermo Manuel Ungo, president of the FDR; and representing the political diplomatic commission, Dr Ruben Zamora Rivas, Mario Aguinada Carranza, and Professor Mario Lopez.

[Dated] San Jose, 10 July 1983. [Signed] The FMLN-FDR Representatives in Costa Rica

GUATEMALA

WARRANT ISSUED FOR ARREST OF COLONEL GORDILLO

PA081954 Guatemala City Radio Nuevo Mundo Network in Spanish 1100 GMT 7 Jul 83

[Text] A warrant has been issued for the arrest of Colonel Francisco Luis Gordillo, a former member of the military government junta that overthrew General Romeo Lucas Garcia on 23 March 1982. This announcement was made yesterday by Interior Minister Ricardo Mendez Ruiz.

The interior minister said that the security forces are searching for Col Gordillo, but he avoided commenting on whether or not the colonel would be taken into custody if he is found. He did say that if Col Gordillo is apprehended an announcement will be made regarding what court will handle his case, and the charges against him will also be announced at that time.

The minister said restrictions on the press have not been lifted, but the press can publish whatever the [the minister] says. He stated flatly that only his statements can be published. Mendez Ruiz noted that official information provided by the residency's public relations office may also be published, but this does not apply to information from other sectors or from political sectors.

The minister said that the ban on the press is still on, and there are no plans to lift it. However, he noted, the press could have published the statements he made yesterday, since he is a government official.

RIOS MONTT MEETS WITH EPISCOPAL CONFERENCE

PA082035 Guatemala City Radio Nuevo Mundo Network in Spanish 1100 GMT 7 Jul 83

[Text] The interior minister was satisfied with the presidential meeting that has been held with the members of the Episcopal Conference.

Interior Minister Colonel Ricardo Mendez Ruiz was interviewed by journalists yesterday as he was leaving the presidential palace, where he and the members of the cabinet headed by Rios Montt met with the members of the Episcopal Conference. Minister Mendez said he is pleased because the dialogue was positive. He said the meeting lasted more then 3 hours, that it served to clarify different points of view, and that there was not a single moment of tension during the meeting.

The Episcopal Conference presented to General Rios Montt a clemency request from the pope calling for pardoning the lives of those sentenced to death. The minister said the members of the Episcopal Conference gave Gen Rios Montt a document stating their points of view on various subjects.

The Episcopal Conference members held a news conference at the archbishop's palace at approximately 1330, following their meeting at the presidential palace. They said that they had discussed concepts contained in the latest pastoral letter.

The members of the Episcopal Conference -- Rodolfo Quezada Turino, Gerardo Florez, Prospero Tenano del Barrio, Jorge Mario Avila, and Msgr Ramiro Pellecer, bishop of Guatemala -- said that yesterday's dialogue was for the purpose of allowing Guatemalans to express their needs to the government. They said that the Church remains completely independent, and that it has never believed that there is a division of sects in the country, and for this reason the meeting held yesterday with President Rios Montt and some of his ministers was realistic, since no one clung to his concepts. Therefore, it was positive, and this is what the representatives of the Catholic Church have always promoted. Gen Rios Montt told the Episcopal Conference that he will study the cases of persons sentenced to death.

PRESIDENT HOLDS MEETING WITH POLITICAL LEADERS

PA091904 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 8 Jul 83

[Text] The Public Relations Secretariat of the Presidency today issued a press bulletin following a meeting held this morning. The bulletin, which quotes some of the participants, contains the following paragraphs, among others:

Positive aspects of the democratization process in the country were noted by the political party and committee leaders who participated in a meeting held beginning at 1000 today in the presidential palace with President Efrain Rios Montt, Defense Minister General Oscar Humberto Mejia Victores, and Government Minister Colonel Ricardo Mendez Ruiz.

The 22 political leaders in attendance listened to President Rios Montt and expressed their opinions and viewpoints about various aspects of the country's political life, especially the democratization process leading to a return to constitutional life.

Leader Francisco (Cancil), representative of the Nationalist Authentic Central, CAN, said: We need a political opening promptly, a prompt convocation of elections; and we need to make political organizations more aware of the need for a democratic opening. He added: We believe that the president has good intentions that he wishes to discuss with us, and we hope that these intentions will be converted into deeds.

Another political leader, Napoleon Alfaro of the Revolutionary Party, PR, said: We have the best intention of cooperating in the restructuring of democracy in Guatemala. We firmly believe that this is what we need: to learn to talk without getting annoyed, insulting each other or being disrespectful; and I beleive that we are reaching formulas of understanding with President Rios Montt.

The PR leader said in conclusion: We are in favor of this type of meeting because we believe that it is by talking that people come to understand each other, which will be to Guatemala's benefit.

STATE COUNCIL SUGGESTS CHANGES IN EMERGENCY LAW

PA092138 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 8 Jul 83

[Text] A number of recommendations made by the State Council, a government advisory organization, were turned over to the General Secretariat of the Presidency for possible adoption by the executive in the near future.

State Council President Jorge Serrano Elias commented on the recommendations: [Begin recording] Not only have restrictions been placed on the guarantee granted by Paragraph 6, Article 23, of the Basic Government Statute, it has actually been eliminated. This is the article that deals with freedom of assembly. The fact is that many economic, social, labor and cultural associations would be seriously hamstrung if the [state of alarm] decree remains as is.

Another issue is the citizens' right to petition. We think that to deprive the citizens of that right at this time would limit the chances of a political opening. That is why we believe that in Articles 5, 10, 14 and 16 of Decree 71-83, the possibility of an abuse of that right to petition has already been duly averted.

The other matter is the suspension of the right of habeas corpus. We consider it advisable that the state have the right, without a special judicial order, to arrest people on suspicion, but we do not feel that in a state of alarm a person should lose the right to have his arrest reported. Habeas corpus is established and recognized in the Basic Government Statute in Paragraph 19, Article 23. That is another of the modifications that I suggested.

We also suggest the revocation of Article 4 of the decree, which suspends all labor union activities, for we feel that labor unions, as well as business organizations, are basis foundations of the productive sector. Therefore, we do not see any real reason for limiting labor activities at this time.

The sixth recommendation refers to the second paragraph of Article 8, which deals with the possibility of arresting those who have belonged to Marxist-Leninist groups. We feel that this second part should be in line with the provisions of the Basic Government Statute, in that it should provide for the arrest of those who belong to institutionalized international organizations that adhere to totalitarian philosophies, if they are engaged in subversive activities.

We feel that the other wording deviates somewhat from the philosophy followed by the government when it issued the two previous decrees. The image that this could project internationally would not be favorable to us and is also incompatible within the context of the law.

The last suggestion made by the political commission involves an expiration date for the state of alarm. The decree-law has no expiration date and we think that it should. [end recording]

GOVERNMENT APPROVES TAX REFORM PACKAGE

PA091611 Guatemala City Cadena de Emisoras Unidas in Spanish 1130 GMT 9 Jul 83

[Text] On 1 August, seven new taxes will go into effect. They will practically revolutionize the Guatemalan tax system, which has remained unchanged since the 1960's. The seven taxes that were approved by the Rios Montt government include the famous and controversial Value Added Tax, known by its acronym, VAT. That tax was intensely opposed by the industrial and commercial sector, since it represents a direct tax that is difficult to evade. It was supported by the agricultural and cattle-raising sector, because they will not have to pay it. In any case, it will go into effect on 1 August despite the fact that everyone thought that it would not.

The other six taxes that were approved by President Rios Montt yesterday are: modification of the income tax and tax incentives law; tax on the consumption of liquor, beer, wine, and soft drinks; tax on departure from the country; tax on cigarettes; modification of [word indistinct] patents; and lowering of taxes on export products.

Gonzalo Asturias, public relations secretary of the presidency, last night over a radio and television network announced that the tax reforms will go into effect on 1 August. The objective of the new taxes is to enable the government to invest in the strife-torn areas and to provide incentives for production.

ORPA AMBUSHES POLICE, COMMENTS ON REVOLUTION

FL091120 Mexico City NOTIMEX in Spanish 0354 GMT 9 Jul 83

[Text] Guatemala, 8 Jul (NOTIMEX) -- Insurgent forces last night ambushed a convey of the National Police Special Troops [Tropas Especiales de la Policia National] (SWAT) on the highway of San Juan Sacatepequez, El Milagro colony in this capital, killing 1 policeman and wounding 15 others. According to police spokesmen, some 36 SWAT members were on their way to conduct house-to-house track and search operations around the area when several Claymore-type bombs exploded in front of them.

However, Colonel Hernan Poncer Mitch, chief of the National Police, said the rebel attack had only wounded six policemen and identified the policeman killed as Agustin Lima Hernandez.

Meanwhile, the Revolutionary Organization of the People in Arms (ORPA) clandestine newspaper ERUPCION said the dictatorship of General Rios Montt has run out of options and its declared contradictions herald its own downfall. The political and economic crisis and above all the social situation of unemployment, misery, and hunger are not going to be resolved with false promises and pardons, the newspaper stated, referring to the tactics of the Guatemalan Government.

Friction within Army ranks has increased, and private business is equally upset, a situation which has forced the Rios Montt regime into a crucial period, ORPA maintained.

Therefore, ORPA asserted, only the rally of popular, progressive, and democratic forces around the revolutionary movement can pave the way toward a solution with the establishment of a revolutionary, democratic, and popular government.

More on Rebel Ambush

FL091230 Bridgetown CANA in English 1218 GMT 9 Jul 83

[Text] Guatemala City, July 9, CANA-REUTER -- A member of Guatemala's crack special operations police was killed and 15 were wounded when a mine exploded under their truck in Guatemala City, a police spokesman said yesterday. The attack came as security forces conducted an intense search for the kidnapped sister of President Efrain Rios Montt. She was abducted by four armed men on June 29, the day the military government imposed a "state of alarm" suspending civil liberties.

The police spokesman said the special operations team had just completed checking the identity papers of residents in El Milagro, a western section of the capital, when the mine was placed in the path of their truck Thursday night. No group immediately claimed responsibility for the attack.

Left-wing guerrillas have been fighting a succession of military governments here for the past two decades. According to diplomats, the rebels recently stepped up operations in the capital which has been relatively little affected by a brutal civil war in the rural highlands.

In Mexico City, Guatemala's Human Rights Commission charged General Rios Montt's government with responsibility for the disappearance of two labour leaders. It said in a communique that security men in civilian clothes bundled Manuel Francisco Contreras into a car on June 2 and took him to an unknown destination.

Contreras, 64, was a founder member of Guatemala's Autonomous Labour Federation (FASGUA), an umbrella organization of some 50 small unions representing more than 25,000 workers before government repression drove it underground.

The commission said government forces also abducted America Yolanda Urizar Martinez, a lawyer working for the National Committee of Labour Unity, shortly after she returned to Guatemala in March. The commission said Urizar Martinez decided to return after Rios Montt proclaimed a "political opening" on the first anniversary of the military coup that brought him to power. The liberalization resulted in a chorus of public criticism of Rios Montt and demands for a swift return to constitutional rule. The government responded by reintroducing most of the restrictions it had lifted on the anniversary.

PATROLMEN KILLED IN FIGHTING WITH REBELS

PA082247 Guatemala City DIARIO EL GRAFICO in Spanish 7 Jul 83 p 3

[Text] Cotzal, Quiche -- Five members of the civilian self-defense patrol of San Juan Cotzal, El Quiche, died in a clash with a group of leftist guerrillas who tried to stage a raid in that town, the Army public relations office reported here yesterday.

This happened Tuesday at 0800. The source did not mention any casualties among the rebels. A short time after the clash, Army troops were on the scene to carry out a search. In the last few months, several members of the civilian self-defense patrol have died in clashes with the guerrillas, not only in El Quiche but in other highland departments. There are now civilian self-defense patrols almost everywhere in the country.

HONDURAS

GOVERNMENT RESPONDS TO NICARAGUAN CHARGES

PA091526 Tegucigalpa Domestic Service in Spanish 1130 GMT 9 Jul 83

[Press communique issued by the Honduran International Information Directorate: date and place not given]

[Text] Through war reports disguised as news dispatches, the Nicaraguan Marxist military regime (?in recent weeks) has launched a propaganda campaign to discredit Honduras and to confuse international public opinion.

According to the mythical report, 2,000 Honduran soldiers attacked (?15) Nicaraguan towns in January 1983 [words indistinct] dead and wounded. Other [words indistinct] in Managua in March. According to the Sandinist story, in April, Honduras, which has a few old transport planes, staged an airborne attack on Matagalpa and Jinotega with 5,000 paratroopers. To drop such a number of troops would require about (?84) Hercules airplanes. Our country (?does not have) a single Hercules. According to the fictitious report, 2,000 Honduran soldiers participated in various attacks in May and another 2,000 did the same in June.

In the war reports [words indistinct] because if one adds up all the soldiers who have reportedly participated in the actions against Nicaragua, Honduras would be involving its whole 10,000-man army in those adventures. Such a vast operation would have already been detected and described by the hundreds of foreign newsmen who usually visit us and who come from all parts of the world, representing the most prominent news media of five continents. On the contrary, the press, radio, and television reporters, who have full freedom to report in Honduras, have emphasized the climate of tranquility in this country, where the police and military presence is [word indistinct].

The only mobilization that the national army has carried out was the one to the Trojes and Cifuentes sector, which has been militarily harassed by the Sandinist army. It was in this area where two U.S. newsmen were recently killed by a mine placed by Sandinists on a Honduran road located 50 meters from the common border.

The paranoiac war reports of the Nicaraguan regime basically seek to justify its aggressive plans against Honduras, to confuse the international community about the real nature of the internal rebellion that has emerged against totalitarianism, and [words indistinct] to provide the excuse that the commanders desperately seek to get out of the efforts of the Contadora Group; because they have seen that the group is demanding the withdrawal of the foreign military advisers and the end of the arms traffic, actions which the Marxist military regime will never support because they essentially contradict its plan to export its political model to Central America and to turn the region into a new tropical gulag.

DEFENSE SECRETARY ON TENSIONS WITH NICARAGUA

PA081748 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 8 Jul 83

[Gustavo Rubi interview with Honduran Defense Secretary Colonel Amilcar Castillo Suazo, at the presidential palace on 7 Jul -- recorded]

[Text] [Rubi] Has the Honduran Army in the border area been definitely prohibited from responding to Sandinist attacks?

[Castillo] The commanders, subcommanders, and troops in the Cifuentes areas have clear instructions not to respond to the shooting from the Sandinist army because this would further increase the hostilities, and our country and armed forces do not want to make this mistake or fall into the trap that has been set.

[Rubi] The Sandinist commanders have said that a war with Honduras is imminent.

[Castillo] They have always maintained that war is inevitable, but our government and the armed forces maintain and affirm that we don't want this war. There would be a war only if the Sandinist army attacked our teritory. This is the only way we would go to war, and this would be in defense of our sovereignty and our democratic institutions.

[Rubi] Are we, are the armed forces, prepared to respond to any attack on Honduran sovereignty?

[Castillo] We are trying to fulfill the constitutional mandate of defending our sovereignty and territory. About being prepared, I can say that we are prepared, but because of the massive support that Nicaragua has from the Soviet Union and the other Soviet bloc countries, Nicaragua has upset the weapons balance. Therefore, we have a certain disadvantage. The whole world knows Nicaragua has direct support from the Soviet Union.

[Rubi] Colonel, the armed forces have been strongly criticized because of the training of Salvadoran soldiers and because of the base. It is being said that Honduras is training soldiers who could later attack Honduras.

[Castillo] I think it is understandable for part of the population to think this. It is clear that Honduran citizens possess nationalism, especially because of the circumstances we are going through. Hondurans must be clear on this now. And since Honduras had a confrontation with El Salvador, the wounds are still open. Therefore, it is understandable that part of the population, which still remembers this aggression, would be against the training of Honduran [as heard] soldiers.

But what the armed forces and the government want to achieve with this training is to support El Salvador so that it can solve its internal problems in the near future. Once El Slavador achieves peace, we should be able to consolidate peace in this country.

[Rubi] Colonel, it is being said that the Puerto Castilla regional training school is not a school but a base that the United States has in Honduras to guard gringo interests in Central America.

[Castillo] Well, I wouldn't say this is a base because, so far, we don't have any installations there for the docking of ships or for the operation of heavy equipment such as submarines [as heard].

Besides, the airfield is one for propeller planes. I would not consider the military training installations a base, but rather a training center, because a base is something big, something at an army level, which would be beyond our country's capability.

[Rubi] The Honduran Army has never confirmed the existence of guerrillas in Honduras?

[Castillo] So far there is no confirmation. We have detected a guerrilla structure, or organization, but there is practically no active guerrilla group in the country.

NICARAGUA

ARDE FAVORS DIALOGUE WITH FSLN TO SECURE PEACE

PA092010 Panama City ACAN in Spanish 0142 GMT 9 Jul 83

[All quotation marks as received]

[Text] San Jose, 8 Jul (ACAN-EFE) -- The Political Secretariat of the Democratic Revolutionary Alliance (ARDE) came out this afternoon for "a political and mutilateral step capable of averting bloodshed," reestablishing internal social peace in Nicaragua, and promoting the revolutionary progress of this country."

The alliance led by Eden Pastora (Commander Cero), Alfonso Robelo (former member of the Sandinist Government), and Brooklyn Rivera (leader of the Miskito, Sumu, and Rama Indians) recognized as positive the Central American peace efforts of the "Contadora Group," as well as other initiatives. The ARDE Political Secretariat announcement of its decision to hold dialogues with the FSLN was unexpected.

"We are disposed," the manifesto said, "to hold dialogues with all Nicaraguan sectors, including the FSLN, and with the international community," to assume obligations and commitments stemming from viable and dignified political solutions that favor peace, regional stability, and nonintervention.

The ARDE supporters, whose military branch led by Commander Cero "is attacking the Sandinist forces in southern Nicaragua, termed" internal social peace" as "indispensable" for normalizing life in this country.

As a prerequisite for a social peace "consistent with regional stability," the revolutionary organization asked for the "withdrawal of the FSLN National Directorate from the government."

They also asked for the formation of a new democratic government junta that would choose a cabinet of pluralist ministers. They further asked that "the 17th OAS Assembly resolution" that permitted Somoza's overthrow be fulfilled." The manifesto pointed to the necessity of the withdrawal of the foreign presence from the domestic affairs of Nicaragua, and the elimination of party control from the armed forces and state institutions. Other conditions were the unrestricted exercise of fundamental liberties and human rights, especially freedom of the press and freedom of speech.

ARDE also requested that an electoral law and a law on political parties be issued immediately for the holding of elections within 6 months at the latest after the new government is formed, and that a constitutent assembly be elected in free and democratic elections.

The ARDE spokesmen denounced the current alignment of the Managua government with "the interests of the USSR and Cuba, and asked the governments of the world as well as political parties and organizations that aided in defeating Somozism to pronounce themselves against this state of affairs.

BORGE CLAIMS U.S. TROOPS TO POSE AS HONDURANS

PA100031 Panama City ACAN in Spanish 0009 GMT 10 Jul 83

[Text] Managua, 9 Jul (ACAN-EFE) -- Nicaraguan Interior Minister Tomas Borge said today that the United States is "accelerating a new attack on this country, with the participation of the Honduran Army and U.S. troops of Latin American descent."

Speaking at a ceremony to hand over agrarian reform land titles in Darayli, Esteli Department, 109 km north of Managua, Borge said that this month the Honduran regime is going to receive fighter bombers, 10 155-mm cannons, 60 bazookas, 20 M-60 tanks and 60 armored cars.

Borge charged that 40 Honduran pilots are currently being trained in the United States, and that two special detachments of U.S. troops, "consisting of U.S. soldiers of Latin American descent," are going to arrive in Choluteca and Uscarapa, Honduras, in the first half of this month.

The ranking Sandinist leader said that each of these detachments has 320 soldiers and that the Honduran Government is going to give them uniforms and documents so that "they can pass as Hondurans." Tomas Borge said that the CIA is planning to assassinate several members of the FSLN Directorate.

He said that the Sandinists are not worried about the military advice that the United States is giving Honduras, but about the "installation of a foreign military base in Puerto Castilla," on Honduran territory.

Borge said that 2,400 Salvadoran troops are being trained at the military base "to attack the Salvadoran people. Honduran and Guatemalan soldiers will possibly be trained there as well, to try to stop the people's aspirations for freedom." The interior minister said that the FSLN is convinced that the Latin American people will "defeat the continent's gorilla governments." He told ACAN-EFE that the Nicaraguan Government is putting normal defense plans into effect.

OPPOSITION CLAIMS U.S. ULTIMATUM GIVEN REGIME

PA100401 Paris AFP in English 0359 GMT 10 Jul 83

[By Gilberto Lopes]

[Text] San Jose, July 10 (AFP) -- The United States recently gave the left-wing Nicaraguan regime an ultimatum to reach an agreement by September with the guerrilla groups fighting it, well-informed sources opposed to the regime told AFP here Saturday. If the Sandinista government in Managua failed to meet the deadline, Washington would use "all means" to bring it down, the sources said.

The ultimatum was contained in a letter U.S. President Ronald Reagan's special Central American envoy, Richard Stone, gave Nicaraguan leaders in Managua during his first trip to the region a month ago, the sources, who asked not to be identified, said.

They added that they had seen a copy of the letter. But neither Washington nor Managua has confirmed its existence. The report comes at a time of intense diplomatic activity over Central America.

(In Madrid, the Socialist International -- a grouping of the world's democratic socialist and social democratic parties -- met urgently Friday on the Central American conflict and proposed setting up a European committee to seek a political settlement to the region's problems.

(Parallel with the Europe move, the Contadora Group of countries -- Mexico, Panama, Venezuela and Colombia -- announced they would meet shortly to intensify negotiations aimed at seeking a peaceful settlement to the Central American crisis.)

Meanwhile, the anti-Sandinista Democratic Revolutionary Alliance (ARDE), headed by former Nicaraguan Junta members Eden Pastora and Alfronso Robelo, said it was prepared to negotiate. But it set conditions bound to be rejected by Managua.

ARDE demanded that in exchange for "social peace," the Sandinista National Liberation Front step down, to be replaced by a new government junta. Early this month the Nicaraguan Democratic Forces, comprised mainly of troops of former dictator Anastasio Somoza, also called for "dialogue."

BARRICADA REPORTS ON RESCUE OF U.S. SAILBOAT

PA080122 Managua BARRICADA in Spanish 4 Jul 83 p 1

[Text] In midst of a storm yesterday, the Sandinist navy rescued the six occupants of a U.S.-registered sailboat that had run aground off the Atlantic coast of Nicaragua. The tourist craft was facing serious danger.

A Defense Ministry report states that last Saturday [2 July] -- the Air Rescue Service reported that the sailboat "Siris" had run aground 4 miles off the coast, across from Punta Siquia, 40 miles north of Puerto Cabezas. The boat was in serious danger; a heavy storm threatened to sink it.

Despite the danger and in an unprecedented operation, the Sandinist navy successfully rescued six U.S. citizens (four women and two men), including the sailboat captain, Abraham Coriches.

A Sandinist patrolboat towed the boat to Puerto Cabezas yesterday, and its occupants were immediately given medical assistance and aid so that they could continue their journey.

However, the Defense Ministry report states that U.S. Government officials both in Washington and Managua had tried to manipulate and speculate on the incident.

A lower-ranking diplomat in Managua even went as far as threatening to "worsen the relations" between the two countries if the passengers were not rescued alive.

DANIEL ORTEGA ADDRESSES MOTHERS OF MARTYRS EVENT

PA101925 Managua Domestic Service in Spanish 2315 GMT 9 Jul 83

[Speech by Commander of the Revolution Daniel Ortega Saavedra, coordinator of the Junta of the Nicaraguan Government of National Reconstruction, during the main ceremony of the third national assembly of the Juanita Cuadra Roque committee of Mothers of Heroes and Martyrs of the Revolution, held on 9 July at the National Autonomous University of Nicaragua -- recorded]

[Excerpts] Heroic, adored mothers of heroes and martyrs, distinguished representatives of the diplomatic corps accredited in Nicaragua present at this third national assembly of the Juanita Cuadra Roque Committee of Mothers of Heroes and Martyrs:

Once again we have had to face a situation of terror, of oppression, of aggression directed by whom, promoted by whom, financed by whom? By the same CIA that financed and created the Somozist regime, which was directed and financed by the U.S. Government, armed by the U.S. Government.

They think they will dominate the people with terror. They think that by killing the people, shooting the people, they will force the people back. They think that in that position, Nicaragua will say: Do not continue to attack us, do not continue your aggressions, and we will do as you please; we will do what you want.

But the leaders of the U.S. Government are indeed mistaken. And we say the leaders, because those directing this whole policy of terror against the Nicaraguan people, those who have declared war on the Nicaraguan mothers, are not only President Reagan, but all those sectors, all those interests -- which are countless -- that support this type of U.S. policy, that are guilty of complicity in the actions against Nicaragua. We are only defending ourselves from that aggressive policy.

The U.S. Government is attempting to work against the revolution from within, while launching its military aggression from abroad. It combines both things. It is seeking to disrupt us internally, to wrest popular support from the revolution, basing itself on those who from their different political, religious, and economic positions have Somozist attitudes and defend Somozism. And along with this, they are launching the guardsmen, traitors Eden Pastora, Robelo, and all that mob of traitors, cowards, and assassins, to try and destroy the revolution.

What is the result? More Nicaraguans are dead, that is true. This year, these months, there have been over 600 Nicaraguans killed, including men, women, and some internationalists.

They think that by killing the children, the mothers will be intimidated, and the mothers will say: Let us not continue fighting; it is better to capitulate. Let us kneel down before the Yankees, so they will not continue to send us guards and launch Hondurans against Nicaragua; and so they will stop threatening to invade us. They think this.

As the companera said, Nicaraguan mothers are ready to make any sacrifice, because they know what we are defending here, because they are Nicaraguans, because they are revolutionary and full of determination.

The soldiers that the imperialist policy launches against the peoples are part of the U.S. people. They are the final instruments of the imperialist policy.

The thousands of North Americans killed in Vietnam were part of the U.S. people, and were victims of this imperialist policy. And the soldiers that the U.S. Government has ready to invade Central America as a last resort are part of the U.S. people, and these soldiers have mothers in the United States.

And just as that criminal, aggressive policy of arming and defending the Somozist dictatorship failed before, so will their criminal, genocidal policy fail now. We are certain it will fail.

Despite their efforts, their attempts, the enemies shall not pass, because we have determination, because we have unity. They shall not pass, because here we have heroic mothers of Nicaragua. [applause]

NUNEZ DENIES OUTLAWING OF CONSERVATIVE PARTY

PA092019 Managua Radio Sandino Network in Spanish 1200 GMT 9 Jul 83

[Text] State Council President Commander Carlos Nunez has not outlawed the Democratic Conservative Party [PCD], the press department of the Nicaraguan co-legislative body said in a press note yesterday. The distortion of Commander Nunez' remarks in the latest session of the State Council was published in the 8 July editorial of the Mexican newspaper UNOMASUNO. The State Council communique stated that the prestigious newspaper was probably deceived by a false report from some international news agency.

During last week's debate on the political parties law, Commander Nunez said that if there was any interest in abolishing the political parties in our country, this would have been done to the PCD for having sent a letter to the Venezuelan and Mexican presidents 9 months ago in which the PCD requested that they intervene with the revolutionary government so it would hold a dialogue with the Somozist guardsmen. The State Council president also presented a motion on the functions of the National Council of Political Parties that establishes noninterference in the internal lives of the political parties and their programs or ideological statements, and allows only regulation of their activities.

TWO ARTICLES OF POLITICAL PARTY LAW APPROVED

PA081406 Managua Radio Sandino Network in Spanish 1200 GMT 7 Jul 83

[Text] Two more articles of the political parties law were approved yesterday during the sixth regular session of the State Council. Articles 16 and 17, included in Chapter 5, refer to the functions of the National Council of Political Parties [Consejo National de Partidos Politicos -- CNPP], and those of its president, as the organization in charge of ensuring the compliance with and enforcement of the law.

Similarly, the co-legislative body discussed the request for reforms and additions to the State Council regulation, presented by the Nicaraguan Socialist Party and the Sandinist Defense Committees. The justification provided for this reform bill is that its main objective is to improve participation in the plenary meetings and improve the work done by the State Council commissions, by demanding that the representatives show a greater sense of responsibility, study and dedication in the analysis of the laws that are subject to consideration by the co-legislative branch.

In this new period, in this new democratic revolutionary phase of law and order, we will eliminate anarchy in the matter of political parties, Revolutionary Commander Carlos Nunez Tellez, president of the State Council, said yesterday. This statement by the revolutionary leader was made during the discussion of Article 16 of the political parties law, which refers to the functions of the CNPP.

At the sixth regular session of the State Council, it was established that the CNPP will guarantee the implementation and enforcement of this law, which was questioned by the rightist political party representatives. In this regard, Commander Carlos Nunez pointed out that, at this time of constant danger, it is necessary to regulate the political parties' activities in a coherent manner, destroying the anarchy that existed in the past. Therefore, the CNPP should clearly realize that its views and analyses will be in direct relationship with the behavior of the political parties.

The joint electoral and political parties commission which recently toured several Latin American countries was a great success, according to a report presented by Deputy Commander Rafael Solis at the State Council meeting yesterday. The Nicaraguan parliamentarians visited Mexico, Costa Rica, Venezuela, Colombia, Ecuador, and Peru, where they met with presidents, parliamentarians, politicians, government officials and student and labor leaders, who expressed support for the Sandinist revolution.

On the activities carried out by the joint electoral and political parties commission in the discussion of the political parties bill, Social Christian Party representative Dr Julio Ramon Garcia said the following this morning:

[Begin recording] [Garcia] The total report is very broad. It details the commission's activities. Now, I would say that we have to look at the recommendations that this commission will ensure are implemented. We believe that the experience will leave us something positive, and we believe that the drafting of the political parties law is also going to be another valuable experience.

[Question] Doctor, what do you and your party think of the discussion of the draft political parties law?

[Garcia] Well, we have always said that it is necessary to promulgate a law to regulate political parties' activities. However, we have some reservations, even about articles that have been approved; for example, about the manner in which the CNPP has been formed, and a few other provisions that we feel are not as democratic as they should be.

[Question] You held a position in relation to the CNPP. What was it based on?

[Garcia] We had questioned the preponderance or the exaggeration of the Government Junta representation. That is, we feel that four representatives give the government total control over the CNPP, because we also saw that on analyzing the correlation of positions, the parties that form the Nicaraguan Democratic Coordinating Board [CDN] would be at a disadvantage of six to two. For example, four from the Government Junta plus two from a bloc such as the FPR [Patriotic Front of the Revolution] make six, as opposed to two from the CDN. We feel that the CNPP is not well balanced. [End recording]

U.S. 'RIGIDITY' BLAMED FOR UNCTAD 'FAILURE'

PA080903 Havana International Service in Spanish 0000 GMT 6 Jul 83

["World Events" commentary read by Angel Hernandez]

[Text] Once again, the UNCTAD meeting has failed in its effort to reconcile the interests of capitalist, industrialized countries with those of developing countries.

The sixth UNCTAD meeting was in session for over a month in Belgrade, capital of Yugoslavia. The meeting ended with no positive results for the so-called Third World countries. The conference's final resolution -- described by the United States as a negative, unilateral document, having unacceptable ideological concepts -- was not well received by Great Britain, the Netherlands, Denmark, Australia, New Zealand, Switzerland, and Belgium.

The Group of 77, which includes 125 developing countries, issued a joint declaration expressing its deep disappointment with the limited progress achieved at the sixth UNCTAD conference. (Kait Assman), the Somali cooridnator of this group of developing countries, said: We have lost a historic opportunity. The Group of 77 coordinator pointed out that very little was achieved in substantive areas -- in commerce, no course of action was established to fight protectionism; only conceptual progress was made with regard to financial issues.

The negative attitude of the United States was evident from the beginning of the conference, when U.S. delegate Kenneth Dam presented the only objection to the agenda during the first plenary session. He expressed his opposition to the item concerning aid to national liberation movements and said that the agenda approved at the UNCTAD conference does not respond to the problems of the 1980-89 decade.

In his address to the group, the U.S. representative said that Washington considers the World Bank and the IMF the appropriate institutions to help developing countries economically. He also expressed U.S. opposition to the creation of a new monetary and financial system, a measure that underdeveloped countries are insistently demanding.

Contrary to the general opinion of the sixth UNCTAD meeting's delegation heads and UN economists, Kenneth Dam said that the world is already emerging from the worst postwar crisis. He admitted, however, that the unemployment rate remains at its highest level in recorded history, even in the United States.

By demanding that the Third World show greater flexibility in its policy toward foreign capital and by trying to present the reduction of high interest rates as a sign of economic recovery, the U.S. representative ignored the just economic demands of the underdeveloped countries. He practically made it impossible for the sixth UNCTAD meeting to arrive at effective agreements.

The Group of 77 that arrived at Belgrade with specific proposals had to face the despotic attitude of the U.S. negotiators who, in line with the policy of Ronald Reagan, scorn agreements between rich and poor countries and advocate the predominance of the international market and the reactivation of the U.S. economy.

Overlooking the enormous economic gap separating his country from underdeveloped countries, the U.S. representative tried to equate industrialized countries with underdeveloped ones when he stated that we are all in the same boat and should make mutual concessions.

The excessive U.S. rigidity in maintaining its viewpoints caused the sixth UNCTAD to end with resolutions of a limited scope, but this could not prevent underdeveloped countries from expressing, in the final resolution, their views on the world economic crisis and the urgent need to establish a new international economic order.

HIJACKER SAID TO BE OF U.S. NATIONALITY

PA081915 Paris AFP in Spanish 1946 GMT 8 Jul 83

[Excerpt] Havana, 8 Jul (AFP) -- The man who hijacked a U.S. aircraft to Cuba is "of U.S. nationality and origin," an official announcement indicated today in Havana.

They gave no further details about the identity of the hijacker, but indicated that "he has been turned over to the appropriate authorities."

HAVANA NOTES U.S. RULING ON CUBAN TRAVEL BAN

FL081620 Havana Domestic Service in Spanish 1100 GMT 8 Jul 83

[Text] The U.S. Supreme Court, by a 7-2 vote, has decided to maintain the restrictions on U.S. citizen's travel to Cuba. The restrictions were implemented last year, but just months ago a Boston court of appeals ruled against the measure, thus prompting the decision of the high court.

NICARAGUAN VICE MINISTER HOLDS PRESS CONFERENCE

FL071930 Havana Domestic Service in Spanish 1045 GMT 7 Jul 83

[Excerpt] During his press conference, Ivan Tercero, Nicaraguan vice minister of public health, stressed that thanks to the efforts of the Sandinist revolution and internationalist assistance Nicaragua can already, just 4 years after the triumph of the people, show some progress in the health field.

Ivan Tercero also referred to the effects of the present imperialist aggression on his country's development in public health.

[Begin Tercero recording] Imperialism's aggression against Nicaragua fits within the framework of the epidemic of aggression. In the area of economic resources, the blockade limits our foreign exchange and thereby limits our ability to acquire, in sufficient quantities, all the necessary supplies for the Sole National Health Program. But it goes beyond that.

The imperialist aggression has murdered Nicaraguan health personnel. It has murdered internationalist doctors from France and Germany. It has murdered nurses, personnel working on the malaria eradication and control program, health brigade members, and nursing assistants. The aggression has destroyed health facilities, centers, and ambulances. The aggression has prevented the conduct of specific activities in some programs such as the malaria eradication and control program which require door-to-door visits in order to carry out efficient insecticide fumigation. The same aggression has prevented us from conducting large immunization campaigns because there is heavy fighting in areas where the immunizations had to be performed. [end recording]

NICARAGUAN FISHING OFFICIAL ON CUBAN COOPERATION

PA080444 Havana International Service in Spanish 0000 GMT 7 Jul 83

[Text] The course we have taken in Cuba will help prepare us for positions of leadership in the new Sandinist economy, the cornerstone of the political and social changes our process and our revolution needs, Edwin Castro said in a statement for this station. Castro, an official of the Nicaraguan Institute of Fisheries, has taken a course in economic management offered by the Havana Higher Institute of Economic Management.

In reference to the Nicaraguan fishing industry, Edwin Castro said the Fisheries Institute, which was created in January 1980, is facing serious economic problems because, he said, we inherited an old, neglected fleet, with very outdated infrastructures. However, after the industry is modernized and reorganized, we will be able to guarantee increased exploitation and expansion of the fishing industry.

Finally, Edwin Castro noted that this course is another example of the internationalist assistance that Cuba has always offered the Sandinist people's revolution. He said that it will further strengthen the economic cooperation between the two countries.

DOMENECH MEETS WITH HUNGARIAN INDUSTRY MINISTER

FL081858 Havana Domestic Service in Spanish 1600 GMT 8 Jul 83

[Text] Budapest -- Joel Domenech, vice president of Cuba's Council of Ministers, has met with Lajos Mehes, member of the Hungarian Socialist Workers Party Politburo and minister of industry. The two officials exchanged notes on the rational use of energy. The Cuban leader arrived in Budapest two days ago on a working visit.

MILITARY DELEGATION CONCLUDES VISIT TO POLAND

FL081130 Havana Domestic Service in Spanish 1000 GMT 8 Jul 83

[Text] A Cuban military delegation headed by Division General Senen Casas yesterday concluded a visit to the Polish People's Republic. The Cuban military delegation was able to witness the progress of that socialist nation in the sociopolitical and economic areas during their stay in Poland. The delegation also had the opportunity to see the traditions observed in the celebration of Polish Army Day, commemorated yesterday.

Div Gen Senen Casas, alternate member of the Politburo and first vice minister of the FAR, was received by Jozef Czyrek, member of the Politburo and secretary of the Polish United Workers Party.

CSSR LEADER'S PRAISE FOR CUBA AT CEREMONY CITED

FL081625 Havana Domestic Service in Spanish 1000 GMT 8 Jul 83

[Text] A military unit which carries the name of Czechoslovak-Cuban Friendship yesterday hosted the main ceremony -- one of many being held this month in Czechoslovakia -- commemorating the 30th anniversary of the assault on Moncada Barracks. The motorized infantry regiment stationed in western Czechoslovakia [western Bohemia] is part of the Czechoslovak-Cuban Friendship Committee, sponsor of the ceremony.

The main speech was delivered by Frantisek Sramek, deputy chairman of the Council of Ministers [title as heard], who outlined the history of Cuba's revolutionary struggles. Among these struggles, he said, there was the assault on Moncada which -- under the leadership of Fidel Castro -- marked the beginning of a struggle by the Cuban people who would not be stopped until they gained their complete and final independence. Today, the senior Czechoslovak leader stressed, Cuba stands as an example for the rest of Latin America.

CABRIZAS 'MODERATELY OPTIMISTIC' AT SUGAR MEETING

FL090120 Havana Domestic Service in Spanish 2300 GMT 8 Jul 83

[Text] Delegates participating in the sugar meeting in London to reach a new agreement on that basic product hope it will end favorably today.

The chief of the Cuban delegation, Minister of Foreign Trade Ricardo Cabrizas, told the press: We should be moderately optimistic, because although at this stage the negotiations on the new sugar agreement have been fruitful, there remain points to be negotiated.

He added that this week, there have been advances regarding the structure of the regulatory mechanism of the future agreement -- the most disputed point that the negotiators dealt with, since the agreement being discussed depends on this mechanism to guarantee renumerative prices.

Cabrizas said that efforts have obviously been slow, but one must bear in mind that many points of view, which at first seemed divergent, had to be reconciled. He added that up to now, everything indicates that there will be a document ready to present at the next round of negotiations in Geneva next 10-30 September.

The current meeting of the UN Sugar Conference, which began last Monday in the British captial, was proposed last May during the first round of negotiations to formulate a new international sugar agreement held in Geneva.

FIDEL CASTRO CHAIRS HAVANA CITY PROVINCE ASSEMBLY

FL091800 Havana Domestic Service in Spanish 1700 GMT 9 Jul 83

[Text] Our Commander in Chief Fidel Castro, first secretary of the party Central Committee and president of the Councils of State and Ministers, is presiding over the Havana City [Province] assembly for the assessment, renewal, and/or ratification of party mandates underway at this time at the Jose Antonio Echeverria Higher Polytechnical Institute.

The assembly of the capital's communists convened with the attendance of 406 delegates, or 99 percent of the membership. It will review the work accomplished by the political organization from October 1980 to June of this year.

The opening speech was delivered by Jorge Valdes Rodriguez, second secretary of the party in Havana, who referred to the work accomplished by the UJC [Union of Young Communists], state bodies, and mass organizations in salute to the most important meeting of the capital's communists.

Julio Camacho Aguilera, member of the Politburo and first secretary of the party in the province, opened the reading of the main report and of the work objectives for the upcoming period.

Politburo members Ramiro Valdes, Carlos Rafael Rodriguez, Jorge Risquet, and Jose Ramon Machado Ventura presided over the assembly along with Fidel and Camacho.

CASTRO TOURS HAVANA LIBRE HOTEL MEDICAL EXHIBITS

FL091530 Havana Domestic Service in Spanish 1045 GMT 9 Jul 83

[Text] Our Commander in Chief Fidel Castro, president of the Councils of State and Ministers, yesterday visited the medical technology exhibit displayed at the Havana Libre Hotel as part of the international conference "Health for Everyone: 25 Years of Cuban Experience."

Fidel chatted with the exhibitors from various countries who brought to our country medical instruments and equipment, medicines, and items used in medical training. He conducted an extensive tour through the Ambassador and Solidarity Halls where the exhibits are displayed. He also visited the Medi-Cuba Enterprise exhibit, which reflects Cuban development in the medical field, located in the [name indistinct] Hall and in the Lalo Carrazco Hall, where there are other displays exhibited by some of the more than 100 firms participating in this event.

A few days ago, our commander in chief conducted a similar tour through the Palace of Conventions where another part of this exhibit is located.

RAUL CASTRO PRESIDES OVER FAR CADETS' GRADUATION

FL091810 Havana Domestic Service in Spanish 1700 GMT 9 Jul 83

[Text] Army General Raul Castro has presided over the solemn ceremony for the graduation of military students held at the historic Plaza de la Revolution. The graduation was declared the "30th Anniversary of the Assault on Moncada Barracks Promotion" and formed part of the activities conducted by the FAR in tribute to the contingent of youths who, under Fidel's command, launched the daring attack against the second strongest military fortress of the country to initiate the revolutionary struggle against the pro-imperialist tyranny.

The ceremony was addressed by Jaime Crombet, member of the party Secretariat, who praised the high level of excellence attained by our military training centers in the preparation of command cadres, engineers, and technicians for our FAR.

[Begin Crombet recording] You graduates and young officers who have completed your studies in the various academies and higher military training centers of the FAR must assume your new assignments, amid a highly complex and trying time for the future of mankind, with a high degree of responsibility, efficiency, and intelligence. We are fully confident that, with the same passion with which you love peace and life, you will fight for the peace and life of our courageous people. [end recording]

(Esther Montes de Oca), mother of the heroic clandestine combatants (Luis and Sergio Sainz Montes de Oca), spole to the cadets of the 30th Anniversary of the Assault on Moncada Barracks Promotion. Pioneer Henry Estevez, winner of this year's "Friends of the FAR Contest," read to the graduates of the military training centers of the FAR the salute he wrote on behalf of all Cuban children.

FURTHER REPORTS, MATERIAL ON CARICOM SUMMIT

Seaga on Cuba, Subversion

PA100310 Madrid EFE in Spanish 2355 GMT 6 Jul 83

[Excerpts] Port-of-Spain, 6 Jul (EFE) -- There is no possibility of Cuba's entering the Caribbean Common Market, Caricom, because its interests are contrary to those of that organization, Jamaican Prime Minister Edward Seaga said in Trinidad today. Seaga, who is participating in the summit meeting of the chiefs of government of the 13 Caricom member nations, told EFE that Cuba is not a good neighbor because it is exporting subversion to the area.

Seaga repeated his request to Caricom to approach the Latin American countries to expand its market. He discarded, however, rapprochment with Cuba because it exports subversion in order to impose its ideological system. Were it not for this presumed exportation of the revolution, he added, there would be room for many systems in the Caribbean, including a slot for Cuba, in Caricom.

He pointed out that there are presently Caricom member nations where human rights are being violated and where regimes of extremist ideologies are in power. Seaga did not mention these countries by name, but in light of this previous attacks on Grenada and Guyana, the consensus here is that he was referring to them.

Concerning subversion in the Caribbean, he said that it is being exported to other countries and affecting the sovereignty of neighboring nations. He also criticized the promotion of a revolution in a country to overthrow a government elected by the people.

No Agreement on Widening Caricom

FL081224 Bridgetown CANA in English 1135 GMT 8 Jul 83

[By Trevor Simpson]

[Text] Port-of-Spain, Trinidad, July 8, CANA -- Protracted discussion on contentious issues last night forced a Caribbean Community Heads of Government Conference here into an unscheduled fifth day, but the leaders reached some accommodation on virtually all agenda items, conference sources said.

A weary Jamaica Prime Minister Edward Seaga told waiting reporters after an intense caucus session that wounded up at 5:15 am today that the meeting had come to some agreement on all items except the question of widening the 13-member community of English-speaking states.

He said the whole question of the restructuring of the University of the West Indies had been thrashed out as well as the equally knotty problem of how to revive the region's key mechanism for financing Caricom trade.

Seaga, who himself had been spearheading a move to establish some economic relationship between Caricom and the Dominican Republic in order to widen the market for regional exports, lamented the meeting's failure to agree on this. In fact, he said the move was stymied by ideological differences and the Caricom rule that requires unanimity in decision making.

Conference sources said left-leaning Grenada had reservations about Caricom having a closer association with French-speaking Haiti as well as the Spanish-speaking Dominican Republic, while some other countries opposed Grenada's proposal for similar ties with Suriname, which is Dutch.

Seaga regretted that the summit had not approved his proposal for expanding the trade opportunities available to Caricom states. "There is a clear ideological conflict, and unless the rules of unanimity are changed, Caricom will be limited to resolving bread-and-butter issues of trade instead of evolving into a united voice on the world stage," declared the pro-Western Seaga.

Jamaica had proposed a revision of the Caricom rules for association with non-Caricom states to permit a decision based on a simple majority. But this had been opposed by Guyana, conference sources said.

Seaga, who was leaving today for the Bahamas, said that, despite this failure, the summit had strengthened the Caricom trade system. The conference reconvenes at 11:30 AM today essentially to approve the communique.

Communique Released

FL091330 Bridgetown CANA in English 1323 GMT 9 Jul 83

[Text] Port-of-Spain, Trinidad, July 9, CANA -- The following is the communique issued from the Heads of Government Conference of the Caribbean Community which closed last night:

Commu 'que

The fourth meeting of the Conference of Heads of Government of the Caribbean Community was held in Port-of-Spain, Trinidad and Tobago, from July 4-8, 1983. Twelve states were represented by their heads of government (12 states named); Antigua and Barbuda was represented by its deputy prime minister, Hon. Lester Bird.

The inaugural ceremony commemorated the 10th anniversary of the establishment at Chaguaramas of the community. The inaugural address was given by the prime minister of Trinidad and Tobago, the Hon. George Chambers. In his address, Mr Chambers emphasised the fact that what was created and given life at Chaguaramas was not merely a noble idea, but an expression of the principle that the pursuit of regional interest offered the best prospect for the economic and social development of each member state. "If we are to keep this noble idea alive, if we are to give meaning to the vision which inspired the treaty," Mr Chambers stressed, "then we must be convinced of the relevance and applicability of its provisions to the community as it exists today."

Addresses were given in response by the Rt Hon J.M.G. Adams, prime minister of Barbados; the Rt Hon George Price, prime minister of Belize; Rt Hon Edward Seaga, prime minister of Jamaica; Dr Kennedy Simmonds, premier of St Kitts-Nevis; [and] H.E. Cde. L.F.S. Burnham, president of the Cooperative Republic of Guyana.

At the inaugural ceremony, the Commonwealth of the Bahamas was formally admitted as a member of the community when its prime minister, the Rt Hon Sir Lynden Pindling, signed the Treaty of Chaguaramas and deposited the instrument of ratification.

At the conclusion of the inaugural ceremony, a trophy and replicas were presented by the Rt Hon R.M. Cato, prime minister of St Vincent and the Grenadines, to the team manager and the first three student members of the St Vincent and Grenadines team -- the first winners of the annual Caricom Traveller's Cheques Schools Quiz competition, held in 1982-83.

The heads of government conference elected as its chairman the prime minister of Trinidad and Tobago. The conference conducted its business through plenary sessions, a caucus of heads of government, and an economic and general committee.

Prior to the conference, the 23rd meeting of the Common Market Council and the 9th meeting of the Standing Committee of Ministers Responsible for Foreign Affairs were held to consider economic, trade, and foreign policy issues, respectively, and to make recommendations to the conference thereon.

The conference of heads of government, in admitting the Bahamas as an observer to the Common Market Council, agreed that for purposes of the Treaty of Chaguaramas, the Commonwealth of the Bahamas should be designated as a more developed country (MDC).

Heads of government expressed deep concern that the international political situation, since their last meeting in Ocho Rios, continued to be marked by the threat of global war, regional conflicts, rivalries and tensions. They were particularly concerned that small states remained subject to stresses and pressures directly and indirectly, of a military, political, and economic nature.

The conference deplored the increasing resort to violence as a means of resolving conflicts and disputes between states. It called on all states to abstain from all forms of aggression and to use dialogue and negotiation to settle those conflicts which now threaten the peace and security of the region. In particular, it renewed its commitment to the adoption of a unified approach in dealing with economic aggression and to the establishment of a scheme of mutual assistance.

Recalling and reiterating the statement which it made on the Guyana/Venezuela controversy at the third Caricom summit at Ocho Rios on November 15, 1982, [the] conference reviewed developments in the controversy and noted in particular that the governments of the two countries had now referred the choice of a means of settlement to the secretary-general of the United Nations in accordance with the provisions of Article IV (2) of the Geneva agreement.

Noting the statement by the president of Guyana that Venezuela is continuing certain activities inconsistent with Guyana's territorial integrity, the heads of government recalled their previously expressed concern for the sanctity of treaties and their respect for defined and demarcated boundaries, and expressed the hope that the controversy would be quickly and peacefully resolved in accordance with the provisions of the Geneva agreement.

The conference deplored the fact that Guatemala has so far refused to accept the status of Belize as an independent state and that it is still maintaining an unfounded claim to the Toledo district which constitutes one-fifth of its land area.

The conference upheld the principle of territorial integrity and condemned this latest manoeuvre on the part of Guatemala.

The conference supported the position of the Government of Belize for the settlement of this problem by peaceful means, without prejudice to its sovereignty and territorial integrity.

The conference further deplored the exclusionary provisions which currently exist in some regional treaties and arrangements. It called for their early removal so that the principle of universality of membership would be upheld and that all states in the region which desire to adhere to these treaties and arrangements might be enabled to do so.

In considering the role of non-alignment, the conference noted with satisfaction the growing strength of the movement in the region as reflected in its increasing membership from among Caricom member states. It noted further that the movement, as exemplified in the New Delhi summit, provided especially for small states an alternative to bloc politics, spheres of influence, and military alliance. The conference reaffirmed its conviction that non-alignment was an effective instrument for the preservation of peace and security and the creation of an equitable international economic order.

The heads of government expressed deep concern over the situation in Central America. The crisis faced by the peoples of this region was rooted not in East-West ideological rivalry, but in deep-seated social and economic ills. They called for an end to foreign intervention, training of mercenaries, and cross-border conflicts. They appealed to contending parties to engage in direct dialogue and expressed support for the efforts of the Contadora Group to bring peace to the area.

The conference reaffirmed its conviction that the attainment and maintenance of peace and security in the region were firmly linked to recognition of the principles of non-use of force, non-interference and non-intervention in the internal affairs of states.

Reaffirming its conviction that sport at both national and international levels should be based on respect for human dignity, the conference of heads of government expressed its deep abhorrence and condemnation of the policy of apartheid as practised by the racist regime of South Africa. The heads of government unequivocally condemned the efforts of the racist regime to promote the cause of apartheid by attempting to destroy West Indian cricket by enticing West Indian players to play in South Africa.

The heads of government recalled that South Africa had been expelled from the Olympic Movement in 1970. They deplored the fact that an increasing number of sports bodies and individual sportsmen in several countries have nevertheless continued to have sporting links with South Africa in violation and defiance of the United Nations international declaration against apartheid in sport.

In reviewing the situation in Namibia, the conference condemned the continued illegal occupation of Namibia by the racist South Africa regime in open defiance of the United Nations. It further condemned South Africa's policies and practices of brutal expression and wanton exploitation of Namibia's natural resources. It welcomed the recent adoption of Resolution 532 of the UN Security Council as well as its decision to reaffirm the legal responsibility of the UN over Namibia and to pursue the early implementation of its Resolution 435. It registered its total rejection of the linkage of Namibia independence with the simultaneous withdrawal of Cuban forces from Angola.

The heads of government considered a number of issues specifically related to the Regional Integration Movement and the developments in the international economy.

The heads of government also reviewed the deleterious effects which the global economic crisis was having on the development process in the region and considered a broad strategy aimed at intensifying the pursuit of structural changes in the economies of member states, including the development of the capacity for the efficient production and marketing of food within the region and the rapid development of the capacity to export manufactured goods and services.

After consideration of a number of proposals for a structural adjustment programme, the conference authorised the Caricom secretary-general to request the CDB [Caribbean Development Bank] to conduct a study, taking into account the views of the member states and other appropriate regional institutions, with a view to identifying, evaluating, and recommending measures of structural adjustment which would maximise the production, employment, and foreign exchange earnings of member countries.

The conference agreed on a number of measures for reactivating the CMCF. It also agreed that on resumption of the CMCF a number of conditions will be adhered to including debtor limits and quarterly settlements.

At the same time the conference directed that the board of directors of the CMCF consider and submit reports to their respective ministers of finance on the following:

(A) The question of the enlarging of the facility,

(B) The transformation of the facility into a legal entity,

(C) The opening of another window for medium-term credit and possibly a stabilisation fund, and

(D) The governance of the facility, in particular its relationship to ministries of finance in member states.

The heads of government noted the circumstances which necessitated the informal meeting of some heads of government in Barbados and the Bridgetown heads of agreement that emerged therefrom [sentence as received] They expressed the hope that there would be no recurrence of those circumstances.

The heads of government also noted that the Government of Jamaica had since then introduced additional measures to safeguard its economy.

The heads of government agreed that the review of Jamaica's special rate of exchange for trade with Caricom countries, as required under the terms of the heads of agreement, [as received] should be undertaken during the week of the Commonwealth finance ministers' meeting in Port-of-Spain in late September 1983 in order to avoid any disruption in intraregional trade.

Heads of government urged multilateral financial institutions, and in particular the International Monetary Fund, to take immediate steps to implement the recommendations of the Group of Twenty-Four and the Development Committee, as stated in the final communiques of their meetings held in Toronto in September, 1982 for establishment of a programme of action to review the mechanisms and format of conditionality and the nature and content of adjustment prescriptions in small economies in general and in island and other states of Caricom in particular.

Heads of government endorsed the decision taken at the seventh meeting of the Standing Committee of Ministers Responsible for Finance to seek to have a position of adviser to one of the executive directors of the IMF, who has responsibility for one of the constituencies to which Caricom countries belong, reserved for a Caricom national.

Heads of government expressed concern at the non-implementation of recommendations for a special allocation of additional quotas for very small countries -- i.e., those with quotas of under SDR [Special drawing rights] 10 million -- or for a reintroduction of minimum quotas for such countries as proposed to the IMF by the Group of 24 in connection with the eighth general review of quotas.

They noted that all independent countries of OECS fall within this category, and urged the IMF authority to reconsider carefully this matter. The conference urged the Caribbean Development Bank (CDB) to continue its efforts to streamline its procedures to expedite the delivery of financial assistance to the private sector and to consider the possibility of establishing a venture capital fund to provide risk capital (equity and loans) to productive sector projects, particularly in the LDC's [lesser developed countries], while taking due regard of related initiatives in the region. The conference also agreed with the CDB's suggestion that a scheme be devised to provide technical support services to the indigenous private sector and requested CDB to liaise with relevant public and private sector bodies in determining the parameters for such a scheme.

In the course of their review of the economic factors affecting the region and the mechanisms for the mobilisation of aid, the conference studied the operations of the CGCED [Caribbean Group for Cooperation in Economic Development]. It was felt that the mechanism had not provided over the years any great measure of additionally to the traditional flow of funds on concessionary terms. It was agreed that the region should undertake, under the chairmanship of the prime minister of St Lucia as the chairman of the Ad Hoc Advisory Committee of the Caribbean Group, a consultation process prior to the next meeting of the group in Washington in December 1983 so that the issues of primary concern to the region could be identified and placed on the agenda.

In taking note of progress on the implementation of the CBI [Caribbean Basin Initiative], the conference expressed its conviction that participation in the benefits under the CBI should be open to all Caricom states. It was agreed that member states in their bilaterial discussion with the U.S. administration on trade aspects of the CBI bill, should press for the simultaneous designation of all member states of Caricom as beneficiaries so as to preserve the integrity of the regional common market arrangements.

The conference noted that the Private Sector Development Bank which is to be located in Barbados and which is being supported financially by USAID under the CBI, was expected to begin operations by the end of 1983.

The conference also expressed its deep concern at the fact that the U.S. Government had instituted countervailing duty investigations against steel products from Trinidad and Tobago and urged the termination of these investigations in order to avoid frustrating the exports of Trinidad and Tobago in respect of steel products.

The conference [proposed] for expeditious implementation a comprehensive regional energy action plan. Conference noted the long-term objective of the plan as the provision of a more co-ordinated and rational development of the energy resources of the region and the objective of alleviating, within the shortest possible time, the adverse impact of energy prices on the Caribbean economies. The plan will also deal with such issues as the transportation of petroleum products, guaranteed supplies and markets for such products, energy demand management and conservation, the development of new and renewable sources of energy, and the establishment of a supply support mechanism.

One of the principal measures agreed to was that Trinidad and Tobago should become the supplier of first resort for all petroleum products to members states without domestic refineries and for deficit products in those states with "captive" refineries. Another was that member states should accept the principle of rationalisation of refining capacity within the region and that efforts to that end should be consummated within the next 18 months.

The conference also noted the commitment of the Government of Trinidad and Tobago to the resumption of its Caricom oil facility under revised terms and conditions.

Heads of government agreed to sign an intergovernmental agreement on co-operation in air transportation among member states. The agreement provides, inter alia, for one member state to designate an airline owned by another member state as its national carrier. They also agreed on a resolution calling upon third countries to recognise the provisions of the agreement.

They agreed that further progress in the area of rationalisation of passenger and freight air transportation in the region would promote the integration process and increase benefits accruing to member states. They noted that the high-level committee which they established at their meeting in depth, and mandated it to continue its work and report every six months to the Common Market Council. Heads of government agreed that the enlargement of facilities for air freight was an urgent requirement to increase intraregional trade. In this connection they took note of the fact that participation in Caricargo -- the joint venture air freight company established by Trinidad and Tobago and Barbados -- was open to all member states, and agreed that the high-level committee should also address the question of enlarging facilities for regional air freignt.

They also agreed to establish a Caricom Civil Aviation Consultative Committee to provide a forum for consultation among member states in the area of bilateral air services treaties, with particular reference to fifth freedom rights, airfares and rates, capacity control, multiple designation and intra-Caribbean traffic.

In considering the future of the West Indies Shipping Corporation (WISCO), the conference reiterated its recognition of WISCO as the official intra-regional carrier. It declared its intention to institute such measures as may be necessary to rationalise activities in the regional shipping industry and safeguard the position of WISCO as an effective, long-term provider of maritime transport services for the development of the member states of the community.

In recognition of the need for the provision of an adequate service ot meet the demands of trade in agricultural and industrial products with the highest possible level of efficiency, the conference established a high-level committee under the chairmanship in Barbados, which will formulate proposals for rationalising the operations of the regional and national shipping lines, including areas of functional co-operation between the lines.

In considering the question of food security for the peoples of the community, the conference decided that a programme for regional food security should be guided by the following principles:

1. The region should be the primary source of its own food supplies.

2. There should be a regional strategy aimed at self-sufficiency through intraregional trade.

3. International trade should satisfy any food gaps as well as serve as a net earner of foreign exchange for use in other sectors of the economy.

4. Policies should be pursued which would ensure that adequate and nutritious food would be within the reach of poor and working people.

The conference also agreed to the principle of the removal of all barriers to intra-regional trade in primary agricultural commodities and livestock. The conference decided that in the application of these principles member states would obtain their food supplies first from national sources, second from regional sources, and third from international sources.

In keeping with its decision in November, 1982 at Ocho Rios that attention should be given to the elaboration of appropriate relationships between the community and its associate institutions, the conference agreed that:

1. Sectoral consultations should take place with the objective of effecting collaboration in the preparation and implementation of programmes and, at the request of the appropriate standing committee of ministers, there should be collaboration in the drafting of a sector programme and in the allocation of specific activities to each institution.

2. Meetings of administrative heads of Caricom and its associate institutions should take place from time to time, as necessary.

3. The Committee of Ministers Responsible for Energy, Mines, and Natural Resources and the Committee of Ministers Responsible for Science and Technology should be designated and established as institutions of the community.

Heads of government endorsed the decisions of the university council that the date for the implementation of the academic aspect of the restructuring proposals should be October 1, 1984, and that of the university grants committee that the date for the implementation of the new financial arrangements should be August 1, 1984, the beginning of the university's financial year. Arising therefrom the conference accepted the proposal on the restructuring of the University of the West Indies submitted by the OECS countries and directed that the university move with utmost dispatch to implement the proposals within the limits of its resources. The operative date for the introduction of the new arrangements should be the same as that for the overall restructuring of the University of the West Indies, i.e., October 1, 1984.

The OECS proposals include the establishment of two offices of university services as follows:

(A) One office headed by a full time pro-vice chancellor to be located at the Cave Hill campus with responsibility for the OECS countries, Anguilla and the British Virgin Islands.

(B) An office to be located at the Mona campus with responsibility for Belize, the Bahamas, Cayman Islands, Turks and Caicos Islands.

With respect to the funding of the arbitration award for academic and senior administrative staff at the St Augustine campus, UWI, and the settlement of arrears, the conference noted the commitments by governments to make the necessary arrangements for resolving these matters.

Heads of governments recognised that the marine environment, particularly that of small island states with special hydrographic and ecological characteristics, is vulnerable to pollution. They acknowledged the importance of the Caribbean environment programme in protecting the region's fragile ecosystem and agreed that it was necessary for all the Caricom states to sign the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region, and the protocol concerning co-operation in combating oil spills in the wider Caribbean, as early as possible.

The conference reaffirmed the importance which it attached to Carifesta as a means of fostering awareness of the cultural identity and forging the solidarity of the Caribbean peoples. It noted a number of proposals for the future organisation and hosting of this regional festival and decided that these proposals should be referred to member states for urgent consideration. The conference accepted the offer of the government of Jamaica to host Carifesta in 1988.

Concerned that the music of the steel band is an art form of major signifiance to the people of the region, the conference decided that member states should be invited to serve on a committee to consider and formulate proposals for a regional programme for development of the steel band.

The conference approved the design of a flag for the community.

The conference sent its congratulations to the government and people of the Commonwealth of the Bahamas who during this week are celebrating their 10th anniversary of independence.

They noted with satisfaction that another member state of the community, St Kitts-Nevis, will shortly achieve its independence.

Conference expressed its appreciation to Dr Kurleigh King for his services over the past five years and noted that he would be leaving office on September 20, 1983. Conference agreed to counsil's recommendation that Mr Roderick Rainford be appointed secretary-general at the end of the present incumbent's term, that is, from September 21, 1983.

At the conclusion of their meeting, the heads of government expressed their gratitude for the excellent arrangements which the host government, Trinidad and Tobago, had made for the holding of their fourth meeting and for the warm hospitality of its people.

The conference also accepted the invitation from the Bahamas to hold its fifth meeting in the Bahamas during the first week in July 1984.

The conference also decided that in the future it would meet every year during the first week of July, and the annual meetings would coincide with the anniversary of the Treaty of Chaguaramas. [Port-of-Spain, Trinidad and Tobago, July 8, 1983

BARBADOS

INDUSTRIAL CREDIT FUND SET UP TO FINANCE PROJECTS

FL082250 Bridgetown CANA in English 2120 GMT 8 Jul 83

[Text] Bridgetown, Barbados, July 8, CANA -- Seven foreign-owned banks, the state-run Barbados National Bank, and the Barbados Development Bank today signed a participatory loan agreement with the Central Bank to set up a 25 million dollar (one BDS dollar equals 50 cents U.S.) Industrial Credit Fund (ICF) to finance projects in the productive sectors of the economy.

Dr. Courtney Blackman, governor of the Central Bank, which will administer the fund, said the money will finance medium- and long-term loans to tourism, manufacturing, fisheries, agro-industry, mining, and quarrying.

He said the ICF will on-lend to the commercial banks -- Barclays's, Royal Bank of Canada, Scotiabank, Chase Manhattan, Canadian Imperial Bank of Commerce, Citibank, and the Bank of Credit and Commerce International -- at two percentage points below the average prime lending rate to be calculated every three months.

However, Dr. Blackman said, the commercial banks, because they will be the ones to take risks, and in order to allow for an element of competition, will be free to charge their clients whatever rate of interest they deem appropriate.

The Central Bank governor said the first step in the creation of the ICF was taken last April 22 in Washington when, along with Barbados Ambassador Charlie Skeete, he signed a 10.5 million dollar U.S. loan agreement with the World Bank. He said the World Bank felt that in the interest of the speedy disbursement of the funds, the ICF should make use of the channels of the commercial banks.

"We feel it is essential for Barbados to prepare itself for the expected improvement in the world economy," he said, adding that while he could not say when it would materialise, the country should nevertheless be prepared to take advantage of any improvement.

He said that the Central Bank was adding an additional two million dollars U.S. to the 10.5 million dollars lent by the World Bank, so as to enable the funds to be lent at an acceptable rate of interest.

Dr Blackman said the Central Bank was in the process of selecting a loans officer for the fund, which is expected to become operational before yearend.

DOMINICA

CHARLES TO SUBMIT $144.2 MILLION BUDGET TO PARLIAMENT

FL072021 Bridgetown CANA in English 1727 GMT 7 Jul 83

[Text] Roseau, Dominica, July 7, CANA -- Diminica's Prime Minister and Minister of Finance Eugenia Charles is expected to present a 144.2 million dollar (1 EC dollar equals 37 cents U.S.) 1983-84 budget here on Monday.

According to the order paper circulating for Monday's sitting of Parliament, the figure represents a decrease of more than 30 million dollars over last year's budget figure of 177 million dollars.

Current expenditure during the coming fiscal year has been set at 61.4 million dollars, while capital expenditure has been projected for 32.8 million dollars.

Priority will be given to the reconstruction of bridges and roads over the agricultural sectors as evidenced by the allocation of the largest slice of the capital expenditure -- 52.4 million dollars -- to the Ministry of Communications and Works.

The Ministry of Agriculture will receive some 23.2 million dollars, while 27.7 million dollars have been allocated to the Ministry of Education and Health, and 15 million dollars to the Home Affairs Ministry.

Since coming to office three years ago, the Eugenia Charles administration has been actively seeking assistance from the international community for more than 80 million dollars (U.S.) to reconstruct bridges and roads.